

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

**M.A., an individual,**

\* **No. 2:19-cv-00849**

**Plaintiff,**

**Judge Algenon L. Marbley**

**v.**

\* **INTERVENING COMPLAINT OF**  
**ERIE INSURANCE EXCHANGE**

**WYNDHAM HOTELS AND  
RESORTS, INC., et al.**

\*

**Defendant.**

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Erie Insurance Exchange, for its Intervening Complaint, states as follows:

1. Erie Insurance Exchange, at all relevant times, was a corporation licensed and authorized to do business as an insurance company in the State of Ohio.
2. On March 8, 2019, Plaintiff M.A. filed the above-captioned lawsuit (the “Lawsuit”). See generally Doc. 1. On February 23, 2021, Plaintiff M.A. filed her First Amended Complaint. Doc. 273.
3. M.A. identifies herself in the Amended Complaint only by her initials, and alleges she is an adult survivor of sex trafficking who, beginning in Spring 2014, was advertised on www.backpage.com, and trafficked for sex at central Ohio hotels that included Wyndham, IHG, Choice brand hotels. See Doc. 273, ¶3.
4. M.A. names as a defendant in the Lawsuit, *inter alia*, Dream Land Hotels, LLC dba Super 8 (“Dream Land Hotels”). See generally Doc. 273.
5. M.A. alleges she left home when she was still a minor to live with a friend. She then met the person who would become her first trafficker, who demanded she have sex to keep her food and shelter, and who used threats and force against her, trafficking her from sometime in 2014 until August of 2015 at “Days Inn by Wyndham and Comfort Inn, properties in the Central Ohio region.” See Doc. 273, ¶¶54, 56.
6. M.A. alleges she escaped from being trafficked in August 2015 and her trafficker was criminally convicted in Fall 2017. Doc. 1, ¶¶63–64.
7. M.A. alleges the defendant hotels, including Dream Land Hotels, “enabled, harbored, maintained, facilitated, or otherwise financially benefited from, or otherwise participated in, a sex trafficking venture in which M.A. was trafficked for sex, sexually exploited, and victimized in violation of the Trafficking Victims Protection Reauthorization (‘TVPRA’).” Doc. 273, ¶¶6, 66–82).

8. M.A. alleges Dream Land Hotels “facilitated” the sex trafficking of plaintiff by “willful blindness to sex trafficking” of plaintiff. See Doc. 273, ¶81.
9. M.A. alleges that “[t]hrough its relationship with Defendant Wyndham and the perpetrator who trafficked M.A. at the Super 8 by Wyndham, Defendant Dream Land Hotels, LLC benefited or received something of value from its facilitation of or participation in a venture which it knew or should have known had engaged in sex trafficking.” See Doc. 273, ¶17; 57–62.
10. M.A. alleges emotional and physical injuries, and seeks compensatory and punitive damages, attorney fees, and costs. See generally Doc. 273.
11. Erie issued an insurance policy to named insured Super 8 Motel—Columbus East Dreamland Hotel LLC, Policy Number Q42 1450799 C (the “Insurance Contract”). A true and accurate copy of the Insurance Contract is attached as **Exhibit 1**.
12. The Insurance Contract, in pertinent part, had a policy period from June 14, 2015 to June 14, 2016.
13. The following provision is, in pertinent part, the Insuring Agreement in the Insurance Contract’s Commercial General Liability Coverage Form:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**  
**[CG 00 01 (Ed. 4/13) UF-9708]**

**SECTION I — COVERAGES**

**COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:
  - 1) The amount we will pay for damages is limited as described in Section **III** — Limits Of Insurance; and
  - 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment

of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligations or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages **A** and **B**.

- b. This insurance applies to “bodily injury” and “property damage” only if:
  - 1) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
  - 2) The “bodily injury” or “property damage” occurs during the policy period; and
  - 3) Prior to the policy period, no insured listed under Paragraph 1. of Section **II** — Who Is An Insured and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “bodily injury” or “property damage” occurred, then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the policy period will be deemed to have been known prior to the policy period.
- c. “Bodily injury” or “property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section **II** — Who Is An Insured or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the policy period.
- d. “Bodily injury” or “property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section **II** — Who Is An Insured or any “employee” authorized by you to give or receive notice of an “occurrence” or claim:

- 1) Reports all, or any part, of the “bodily injury” or “property damage” to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the “bodily injury” or “property damage”; or
- 3) Becomes aware by any other means that “bodily injury” or “property damage” has occurred or has begun to occur.

14. The following provision includes, in pertinent part, applicable coverage exclusions set forth in the Insurance Contract’s Commercial General Liability Coverage Form:

## **2. Exclusions**

This insurance does not apply to:

### **a. Expected Or Intended Injury**

“Bodily injury” or “property damage” expected or intended from the standpoint of the insured. This exclusion does not apply to “bodily injury” resulting from the use of reasonable force to protect persons or property.

### **b. Contractual Liability**

“Bodily injury” or “property damage” for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- 1) That the insured would have in the absence of the contract or agreement; or
- 2) Assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an “insured contract”, reasonable attorneys’ fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of “bodily injury” or “property damage”, provided:

- a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- b) Such attorneys' fees and litigation expenses are for defense of that party against the civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

15. The following provision includes, in pertinent part, an applicable coverage exclusion for "punitive damages" set forth as an endorsement to the Insurance Contract's Commercial General Liability Coverage Form:

**PUNITIVE DAMAGES (DC, OH)**  
**[UL-PA (ED. 3/01) UF-9464]**

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following is added to paragraph **1. Insuring Agreement of Section I – Coverage A – Bodily Injury and Property Damage Liability** and to Paragraph **1. Insuring Agreement of Section I – Coverage B – Personal and Advertising Injury Liability**:

**Insuring Agreement**

Coverage for punitive or exemplary damages is excluded to the extent that is prohibited by law.

16. The following provision includes, in pertinent part, the definition of "insured" as set forth in the Insurance Contract:

**SECTION II — WHO IS AN INSURED**

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2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers "if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. ....

17. The following provision includes, in pertinent part, the definitions of “bodily injury” and “occurrence” as set forth in the Insurance Contract:

#### **SECTION V — DEFINITIONS**

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3. “Bodily injury” means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

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13. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

18. Given M.A.’s Amended Complaint allegations, and the terms and conditions of the Insurance Contract, Erie is defending Dream Land Hotels in the Lawsuit subject to a reservation of rights.

19. The basis for the reservation of rights under the Insurance Contract, and under applicable law, with respect to M.A.’s Amended Complaint allegations include, but are not limited to, the following:

- A. The Insurance Contract requires an “occurrence” to trigger coverage under the Commercial General Liability Coverage Form (“CGL Form”). Based on M.A.’s Amended Complaint allegations, there is no “occurrence” to trigger coverage under the CGL Form.
- B. The Insurance Contract’s CGL Form excludes coverage when a bodily injury is expected or intended by an insured. M.A. alleges Dream Land Hotels “facilitated” her sex trafficking by “willful blindness to sex trafficking.” Those allegations, if proven by M.A. during the lawsuit, could result in findings of fact falling within the exclusion for bodily injury expected or intended from the standpoint of Dream Land Hotels and/or its employees.
- C. The Insurance Contract’s CGL Form insures an insured’s employees only when acting “within the scope of their employment by you or while performing duties related to the conduct of your business.” M.A. alleges Dream Land Hotels “facilitated” her sex trafficking by “willful blindness to sex trafficking.” Those allegations, if proven by M.A. during the lawsuit, could result in findings of fact removing any complicit and/or culpable employee from the definition of “insured” under the CGL Form if the employee’s act or omission was committed outside the scope of their employment or while performing duties unrelated to the conduct of Dream Land Hotels’ business.
- D. The Insurance Contract’s CGL Form excludes coverage, with enumerated exceptions, for “bodily injury” which the insured becomes obligated to pay damages by reason of the assumption of liability in a contract or agreement.

E. The Insurance Contract's CGL Form excludes coverage for punitive damages "to the extent that is prohibited by law." Ohio law prohibits insurance coverage for punitive damages. E.g., *Neal-Pettit v. Lahman*, 125 Ohio St.3d 327, 331 (2010).

WHEREFORE, Erie Insurance Exchange respectfully requests a declaration from this Court as follows:

1. That the allegations and claims asserted against Dream Land Hotels in the Lawsuit are not covered by the Insurance Contract because there is no "occurrence" to trigger coverage under the Insurance Contract's CGL Form;
2. That the allegations and claims asserted against Dream Land Hotels in the Lawsuit are excluded from coverage under the Insurance Contract if and to the extent Dream Land Hotels expected or intended bodily injury to M.A.;
3. That the allegations and claims asserted against Dream Land Hotels' employees in the Lawsuit are not covered under the Insurance Contract if and to the extent those employees were not acting "within the scope of their employment" and/or were not "performing duties related to the conduct of [Dream Land Hotels'] business";
4. That the allegations and claims asserted against Dream Land Hotels in the Lawsuit are excluded from coverage under the Insurance Contract if and to the extent it becomes obligated to pay damages by reason of the assumption of liability in a contract or agreement;
5. That the allegations and claims asserted against Dream Land Hotels for punitive damages in the Lawsuit are excluded from coverage under the Insurance Contract in conjunction with Ohio law; and
6. That Erie Insurance Exchange has no duty to defend or duty to indemnify Dream Land Hotels for any claims asserted against them in the Lawsuit.

Respectfully submitted,

/s/ Gordon D. Arnold

Gordon D. Arnold (0012195)

Bartholomew T. Freeze (0086980)

FREUND, FREEZE & ARNOLD

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*Counsel for Intervenor,*

*Erie Insurance Exchange*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served this 12th day of May, 2022, by the Court's electronic filing system, upon all counsel of record.

*/s/ Gordon D. Arnold*

Gordon D. Arnold (0071376)

Bartholomew T. Freeze (0086980)



**Erie**  
Insurance®

Member Company

**Erie Insurance Exchange**

Erie Indemnity Company, Attorney-in-Fact • Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530  
814.870.2000 • Toll free 1.800.458.0811 • Fax 814.870.3126 • [erieinsurance.com](http://erieinsurance.com)

June 24, 2021

Gordon Arnold, Esq.  
Freund,Freeze & Arnold  
1 Dayton Center Ste. 1800  
1 S. Main St.  
Dayton, OH 45402  
Via Email: [garnold@ffalaw.com](mailto:garnold@ffalaw.com)

*Confidential*

**Re: ERIE Claim: #A000032630620**  
**ERIE Policy: #Q42-1450799**  
**ERIE Insured: Super 8 Motel-Columbus East**  
**Date of Loss: 06/14/2015**  
**Your Client: Erie Insurance Exchange**

Dear Attorney Arnold,

I am Bridget C. Trojanowski, Property & Casualty Subpoena Response Specialist for the Erie Insurance Group. I hereby certify that the enclosed Declarations, policy form and endorsements were in effect under ERIE Policy Number Q42-1450799 for the June 14, 2015 to June 14, 2016 policy period. These are true likenesses of the documents issued to Super 8 Motel-Columbus East.

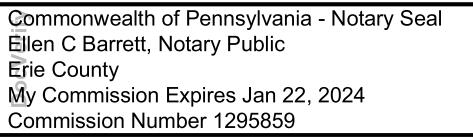
Sincerely,

Bridget C. Trojanowski  
P & C Subpoena Response Specialist  
Liability Claims Department  
(814) 870-2766

/bct

Sworn to and subscribed before me

this 24<sup>th</sup> day of June 2021



Signed on 2021/06/24 13:36:16 -04:00

Notary Public





Erie<sup>®</sup>  
Insurance  
Group  
100 Erie Ins. Pl.  
Erie, PA 16530

## NEW DECLARATIONS

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
GG4594 ANDREW INS ASSOC INC	06/14/15 TO 06/14/16	Q42 1450799 C
ITEM 1. NAMED INSURED AND ADDRESS	ITEM 3. OTHER INTEREST	
<b>SUPER 8 MOTEL-COLUMBUS EAST &amp; ENDT #1 2055 BRICE RD REYNOLDSBURG OH 43068-3447</b>		

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 5,000.

## COVERAGES:

PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS

- 1. BUILDINGS
- 2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS
- 3. ADDITIONAL INCOME PROTECTION
- 4. GLASS AND LETTERING
- 5. SIGNS, LIGHTS AND CLOCKS

DEPOSIT  
PREMIUM

\$ [REDACTED]

## LIMITS OF INSURANCE

\$ [REDACTED]

## PREMIUM BASIS - SALES

EACH OCCURRENCE LIMIT \$ 1,000,000

DAMAGE TO PREMISES

RENTED TO YOU LIMIT \$ 1,000,000 ANY ONE PREMISES

MEDICAL EXPENSE LIMIT \$ EXCL ANY ONE PERSON

PERSONAL & ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION

GENERAL AGGREGATE LIMIT \$ 2,000,000

PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

## OPTIONAL COVERAGES

(SEE NEXT PAGE)

TOTAL DEPOSIT PREMIUM - - - - -

\$ [REDACTED]

## APPLICABLE FORMS - SEE SCHEDULE OF FORMS

OPTIONAL COVERAGES

MECHANICAL & ELECTRICAL BREAKDOWN	\$	[REDACTED]
LIMITED EMPLOYERS LIABILITY COVERAGE	\$	[REDACTED]
BODILY INJURY BY ACCIDENT - \$1,000,000 EACH ACCIDENT	\$	[REDACTED]
BODILY INJURY BY DISEASE - \$1,000,000 POLICY LIMIT	\$	[REDACTED]
BODILY INJURY BY DISEASE - \$1,000,000 EACH EMPLOYEE	\$	[REDACTED]
ENHANCEMENT ENDORSEMENT - HOSPITALITY ENDORSEMENT	\$	[REDACTED]
ADDITIONAL INSURED - GRANTOR OF FRANCHISE (CG2029)	\$	[REDACTED]
NON-OWNED AND HIRED AUTO LIABILITY INS COV	\$	[REDACTED]
BODILY INJURY - \$1,000,000 PER PERSON	\$	[REDACTED]
\$1,000,000 PER ACCIDENT	\$	[REDACTED]
PROPERTY DAMAGE - \$1,000,000 PER ACCIDENT	\$	[REDACTED]
DATA BREACH RESPONSE EXPENSES COVERAGE	\$	[REDACTED]
\$25,000 DATA BREACH RESPONSE EXPENSES COVERAGE LIMIT	\$	[REDACTED]
\$ 5,000 LEGAL SERVICES & FORENSIC INFORMATION TECHNOLOGY SERVICES SUB LIMIT	\$	[REDACTED]
DATA BREACH LIABILITY COVERAGE	\$	[REDACTED]
\$25,000 DATA BREACH LIABILITY COVERAGE LIMIT	\$	[REDACTED]

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

NEW DECLARATIONS

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1

2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

SUPPLEMENTAL DECLARATIONS  
LOCATION 1, BUILDING 1

LOCATION OF PREMISES	OCCUPANCY/OPERATIONS
2055 BRICE RD, REYNOLDSBURG, FRANKLIN CO, OH 43068	2 STORY MOTEL W/POOL

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

COVERAGES	PROPERTY PROTECTION	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. ADDITIONAL INCOME PROTECTION	OCCURRENCE		BLANKET

OPTIONAL COVERAGES - PROPERTY PROTECTION

BLANKET COVERAGE - BUILDING AND CONTENTS

\$ 8,809,000 - LOC 01 & 02

BLANKET COVERAGE - ADDITIONAL INCOME PROTECTION

\$ 1,000,000 - LOC 01 & 02

MECHANICAL & ELECTRICAL BREAKDOWN

\$

[REDACTED]

AR5 06/18/15

SUPPLEMENTAL DECLARATIONS  
LOCATION 1, BUILDING 2

LOCATION OF PREMISES	OCCUPANCY/OPERATIONS
2055 BRICE RD, REYNOLDSBURG, FRANKLIN CO, OH 43068	2 STORY MOTEL

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
COVERAGES			
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. INCOME PROTECTION	OCCURRENCE		
OPTIONAL COVERAGES - PROPERTY PROTECTION			
MECHANICAL & ELECTRICAL BREAKDOWN		\$	[REDACTED]

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

NEW DECLARATIONS

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

SUPPLEMENTAL DECLARATIONS  
LOCATION 2, BUILDING 1

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

-----  
5021 EASTPOINTE DR, MEDINA,  
MEDINA CO, OH 44256

-----  
2 STORY MOTEL

## INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
COVERAGES			
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. ADDITIONAL INCOME PROTECTION	OCCURRENCE		BLANKET

## OPTIONAL COVERAGES - PROPERTY PROTECTION

MECHANICAL & ELECTRICAL BREAKDOWN	\$	[REDACTED]
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AR5 06/18/15

## SUPPLEMENTAL DECLARATIONS

LOCATION 2, BUILDING 2

LOCATION OF PREMISES OCCUPANCY/OPERATIONS

-----  
5021 EASTPOINTE DR, MEDINA,  
MEDINA CO, OH 44256  
-----  
2 STORY MOTEL

## INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
COVERAGES			
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. INCOME PROTECTION	OCCURRENCE		

## OPTIONAL COVERAGES - PROPERTY PROTECTION

MECHANICAL & ELECTRICAL BREAKDOWN	\$	[REDACTED]
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99

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ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

NEW DECLARATIONS

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

ENDORSEMENT 1

IT IS AGREED THAT THE NAMED INSURED SHALL READ AS FOLLOWS:

SUPER 8 MOTEL-COLUMBUS EAST & PEACOCK HOTELS LLC AND RED  
ROOF INN  
DREAMLAND HOTELS LLC D/B/A

RECORD OF OTHER INTERESTS

FIRST MORTGAGEE  
FAHEY BANK  
RE:L1B1 L1B2  
127 N MAIN ST  
MARION OH 43302-3072

FIRST MORTGAGEE  
GEOAUGA SAVINGS BANK  
RE:L2B1 L2B2  
10800 KINSMAN RD  
NEWBURY OH 44065-9744

RECORD OF ADDITIONAL INSUREDS - GRANTOR OF FRANCHISE

SUPER 8 WORLDWIDE INC  
& END101R  
22 SYLVAN WAY  
PARSIPPANY NJ 07054-3801

RED ROOF FRANCHISING LLC THE  
RED ROOF BUILDING  
605 S FRONT ST  
COLUMBUS OH 43215-5777

RECORD OF OTHER INTERESTS

LOSS PAYEE  
\*FAHEY BANK  
RE:L1B1 L1B2  
127 N MAIN ST  
MARION OH 43302-3072

ENDORSEMENT #101R

IT IS AGREED THAT THE ADDITIONAL INSURED - GRANTOR OF FRANCHISE SHALL  
READ AS FOLLOWS:

SUPER 8 WORLDWIDE INC, WYNDHAM WORLDWIDE CORP, WYNDHAM HOTEL  
GROUP

AR5 06/18/15

## SCHEDULE OF FORMS

FORM NUMBER	EDITION DATE	DESCRIPTION
ULF	03/01 *	ULTRAFLEX PACKAGE POLICY
UFB796	05/15 *	IMPORTANT NOTICE TO POLICYHOLDERS - ULTRAFLEX PACKAGE PROGRAM
IL0244	09/07 *	OHIO CHANGES - CANCELLATION AND NONRENEWAL
IL985G*	01/15 *	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
GU92	07/08 *	OHIO AMENDATORY ENDORSEMENT
UF8705*	06/96 *	IMPORTANT NOTICE - NO FLOOD COVERAGE
UF4810*	03/08 *	IMPORTANT NOTICE - POLICY SERVICE FEES
UF6330*	08/09 *	IMPORTANT NOTICE: DO YOU USE SUBCONTRACTORS?
FORM SA	11/12 *	SUBSCRIBERS AGREEMENT
END101R	*	LONG NAMED ADDITIONAL INSURED ENDORSEMENT
ENDT1	*	LONG NAMED INSURED ENDORSEMENT
FX0001	06/13 *	ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART
IL0952	01/15 *	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
ULDR	10/09 *	AGREED AMOUNT CLAUSE
ULNH	05/06 *	MECHANICAL AND ELECTRICAL BREAKDOWN COVERAGE
ULOA	06/14 *	PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE
ULDIOH	10/09 *	LIMITED EMPLOYERS LIABILITY COVERAGE FORM - OHIO
ULLW	05/15 *	HOSPITALITY ERIEPLACEABLE ENHANCEMENTS ENDORSEMENT

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

NEW DECLARATIONS

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST

& ENDT #1  
 2055 BRICE RD  
 REYNOLDSBURG OH 43068-3447

SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
CG2029	04/13 *	ADDITIONAL INSURED - GRANTOR OF FRANCHISE
ULCL	04/08 *	NON-OWNED AUTOS AND/OR HIRED AUTO LIABILITY INSURANCE COVERAGE
UFB785	09/14 *	IMPORTANT NOTICE TO POLICYHOLDERS - COMMERCIAL GENERAL LIABILITY PROGRAM
ULPA	03/01 *	PUNITIVE DAMAGES
GU32	03/01 *	EXCLUSION - LEAD LIABILITY
CG0001	04/13 *	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
ULED	09/05 *	EXCLUSION - ASBESTOS
IL0021	09/08 *	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
FX0003	06/14 *	ULTRAFLEX EXTRA LIABILITY COVERAGES
ULQN	06/14 *	EXCLUSION - PROFESSIONAL LIABILITY
CG0099	11/85 *	CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES
CG2147	12/07 *	EMPLOYMENT-RELATED PRACTICES EXCLUSION
GU30	03/01 *	AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS
IL0017	11/98 *	COMMON POLICY CONDITIONS
CG2167	12/04 *	FUNGI OR BACTERIA EXCLUSION
CG2170	01/15 *	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UF8385	03/95 *	IMPORTANT NOTICE

AR5 06/18/15

SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
CG2196	03/05 *	SILICA OR SILICA-RELATED DUST EXCLUSION
GU136	03/09 *	AMENDMENT OF MOBILE EQUIPMENT DEFINITION
CG2106	05/14 *	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR

PERSONAL INFORMATION AND DATA-RELATED LIABILITY-  
WITH LIMITED BODILY INJURY EXCEPTION

ULBZ	03/01 *	EXCLUSION - DESCRIBED HAZARDS (MOTEL, HOTEL, TOURIST COURTS AND CAMPS)
ULUN	09/13 *	DATA BREACH RESPONSE EXPENSES COVERAGE
ULUP	06/14 *	DATA BREACH LIABILITY COVERAGE
UFB702	09/13 *	IMPORTANT NOTICE - DATA BREACH RESPONSE EXPENSES COVERAGE
CG2135	10/01 *	EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

AMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
ATTACH THIS TO YOUR POLICY.

## REASON FOR AMENDMENT AMENDED MORTGAGEE

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
GG4594 ANDREW INS ASSOC INC	06/14/15 TO 06/14/16	Q42 1450799 C
ITEM 1. NAMED INSURED AND ADDRESS	ITEM 3. OTHER INTEREST	
SUPER 8 MOTEL-COLUMBUS EAST & ENDT #1 2055 BRICE RD REYNOLDSBURG OH 43068-3447		

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 5,000.

## COVERAGES:

PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS

1. BUILDINGS	\$	[REDACTED]
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	\$	[REDACTED]
3. ADDITIONAL INCOME PROTECTION	\$	[REDACTED]
4. GLASS AND LETTERING	\$	[REDACTED]
5. SIGNS, LIGHTS AND CLOCKS	\$	[REDACTED]

## LIMITS OF INSURANCE

## DEPOSIT PREMIUM

## PREMIUM BASIS - SALES

EACH OCCURRENCE LIMIT \$ 1,000,000

DAMAGE TO PREMISES

RENTED TO YOU LIMIT \$ 1,000,000 ANY ONE PREMISES

MEDICAL EXPENSE LIMIT \$ EXCL ANY ONE PERSON

PERSONAL & ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION

GENERAL AGGREGATE LIMIT \$ 2,000,000

PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

## OPTIONAL COVERAGES

## SEE NEXT PAGE

TOTAL DEPOSIT PREMIUM - - - - -

\$ [REDACTED]

NO DIFFERENCE IN PREMIUM DUE TO THE CHANGE - - - - -

\$ [REDACTED]

## APPLICABLE FORMS - SEE SCHEDULE OF FORMS

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICYAMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
ATTACH THIS TO YOUR POLICY.

## REASON FOR AMENDMENT AMENDED MORTGAGEE

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 5,000.

## COVERAGES:

PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS

1. BUILDINGS	\$ [REDACTED]
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	\$ [REDACTED]
3. ADDITIONAL INCOME PROTECTION	\$ [REDACTED]
4. GLASS AND LETTERING	\$ [REDACTED]
5. SIGNS, LIGHTS AND CLOCKS	\$ [REDACTED]

## LIMITS OF INSURANCE

\$ [REDACTED]

## PREMIUM BASIS - SALES

EACH OCCURRENCE LIMIT \$ 1,000,000

DAMAGE TO PREMISES

RENTED TO YOU LIMIT \$ 1,000,000 ANY ONE PREMISES

MEDICAL EXPENSE LIMIT \$ EXCL ANY ONE PERSON

PERSONAL &amp; ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION

GENERAL AGGREGATE LIMIT \$ 2,000,000

PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

## OPTIONAL COVERAGES

SEE NEXT PAGE

TOTAL DEPOSIT PREMIUM - - - - - \$ [REDACTED]

NO DIFFERENCE IN PREMIUM DUE TO THE CHANGE - - - - - \$ [REDACTED]

APPLICABLE FORMS - SEE SCHEDULE OF FORMS

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07/08/15

## OPTIONAL COVERAGES

MECHANICAL & ELECTRICAL BREAKDOWN	\$ [REDACTED]
LIMITED EMPLOYERS LIABILITY COVERAGE	\$ [REDACTED]
BODILY INJURY BY ACCIDENT - \$1,000,000 EACH ACCIDENT	\$ [REDACTED]
BODILY INJURY BY DISEASE - \$1,000,000 POLICY LIMIT	\$ [REDACTED]
BODILY INJURY BY DISEASE - \$1,000,000 EACH EMPLOYEE	\$ [REDACTED]
ENHANCEMENT ENDORSEMENT - HOSPITALITY ENDORSEMENT	\$ [REDACTED]
ADDITIONAL INSURED - GRANTOR OF FRANCHISE (CG2029)	\$ [REDACTED]
NON-OWNED AND HIRED AUTO LIABILITY INS COV	\$ [REDACTED]
BODILY INJURY - \$1,000,000 PER PERSON	\$ [REDACTED]
\$1,000,000 PER ACCIDENT	\$ [REDACTED]
PROPERTY DAMAGE - \$1,000,000 PER ACCIDENT	\$ [REDACTED]
DATA BREACH RESPONSE EXPENSES COVERAGE	\$ [REDACTED]
\$25,000 DATA BREACH RESPONSE EXPENSES COVERAGE LIMIT	\$ [REDACTED]
\$ 5,000 LEGAL SERVICES & FORENSIC INFORMATION TECHNOLOGY SERVICES SUB LIMIT	\$ [REDACTED]
DATA BREACH LIABILITY COVERAGE	\$ [REDACTED]
\$25,000 DATA BREACH LIABILITY COVERAGE LIMIT	\$ [REDACTED]

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICYAMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
ATTACH THIS TO YOUR POLICY.

REASON FOR AMENDMENT AMENDED MORTGAGEE

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST

& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

SUPPLEMENTAL DECLARATIONS

LOCATION 1, BUILDING 1

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

-----  
2055 BRICE RD, REYNOLDSBURG,  
FRANKLIN CO, OH 43068

2 STORY MOTEL W/POOL

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
COVERAGES			
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. ADDITIONAL INCOME PROTECTION	OCCURRENCE		BLANKET

OPTIONAL COVERAGES - PROPERTY PROTECTION

BLANKET COVERAGE - BUILDING AND CONTENTS

\$ 8,809,000 - LOC 01 & 02

BLANKET COVERAGE - ADDITIONAL INCOME PROTECTION

\$ 1,000,000 - LOC 01 & 02

MECHANICAL & ELECTRICAL BREAKDOWN

\$

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07/08/15

SUPPLEMENTAL DECLARATIONS

LOCATION 1, BUILDING 2

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

-----  
2055 BRICE RD, REYNOLDSBURG,  
FRANKLIN CO, OH 43068

2 STORY MOTEL

## INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION		CO-INS %	AMOUNT OF INSURANCE
COVERAGES			
1. BUILDINGS		N/A	BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		N/A	BLANKET
3. INCOME PROTECTION	OCCURRENCE		
OPTIONAL COVERAGES - PROPERTY PROTECTION			
MECHANICAL & ELECTRICAL BREAKDOWN		\$	[REDACTED]

99

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ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICYAMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
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REASON FOR AMENDMENT AMENDED MORTGAGEE

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

SUPPLEMENTAL DECLARATIONS  
LOCATION 2, BUILDING 1

LOCATION OF PREMISES	OCCUPANCY/OPERATIONS
-----	-----
5021 EASTPOINTE DR, MEDINA,	2 STORY MOTEL

MEDINA CO, OH 44256

## INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

COVERAGES	PROPERTY PROTECTION		AMOUNT OF INSURANCE
	CO-INS %	OCCURRENCE	
1. BUILDINGS	N/A		BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	N/A		BLANKET
3. ADDITIONAL INCOME PROTECTION		OCCURRENCE	BLANKET
OPTIONAL COVERAGES - PROPERTY PROTECTION			
MECHANICAL & ELECTRICAL BREAKDOWN		\$	██████████

HJZ 07/08/15

SUPPLEMENTAL DECLARATIONS  
LOCATION 2, BUILDING 2

LOCATION OF PREMISES	OCCUPANCY/OPERATIONS
----- 5021 EASTPOINTE DR, MEDINA, MEDINA CO, OH 44256	----- 2 STORY MOTEL

## INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

COVERAGES	PROPERTY PROTECTION		AMOUNT OF INSURANCE
	CO-INS %	OCCURRENCE	
1. BUILDINGS	N/A		BLANKET
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	N/A		BLANKET
3. INCOME PROTECTION		OCCURRENCE	
OPTIONAL COVERAGES - PROPERTY PROTECTION			

MECHANICAL & ELECTRICAL BREAKDOWN

\$

[REDACTED]

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

AMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
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REASON FOR AMENDMENT AMENDED MORTGAGEE

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

ENDORSEMENT 1

IT IS AGREED THAT THE NAMED INSURED SHALL READ AS FOLLOWS:

SUPER 8 MOTEL-COLUMBUS EAST & PEACOCK HOTELS LLC AND RED  
ROOF INN  
DREAMLAND HOTELS LLC D/B/A

RECORD OF OTHER INTERESTS

FIRST MORTGAGEE  
FAHEY BANK  
RE:L1B1 L1B2 & L2B1  
127 N MAIN ST

FIRST MORTGAGEE  
GEOAUGA SAVINGS BANK  
RE:L2B2  
10800 KINSMAN RD

MARION OH 43302-3072

NEWBURY OH 44065-9744

## RECORD OF ADDITIONAL INSUREDS - GRANTOR OF FRANCHISE

SUPER 8 WORLDWIDE INC  
& END101R  
22 SYLVAN WAY  
PARSIPPANY NJ 07054-3801

RED ROOF FRANCHISING LLC THE  
RED ROOF BUILDING  
605 S FRONT ST  
COLUMBUS OH 43215-5777

## RECORD OF OTHER INTERESTS

LOSS PAYEE  
\*FAHEY BANK  
RE:L1B1 L1B2  
127 N MAIN ST  
MARION OH 43302-3072

## ENDORSEMENT #101R

IT IS AGREED THAT THE ADDITIONAL INSURED - GRANTOR OF FRANCHISE SHALL  
READ AS FOLLOWS:

SUPER 8 WORLDWIDE INC, WYNDHAM WORLDWIDE CORP, WYNDHAM HOTEL  
GROUP

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## SCHEDULE OF FORMS

FORM NUMBER	EDITION DATE	DESCRIPTION
ULF	03/01	ULTRAFLEX PACKAGE POLICY
UFB796	05/15	IMPORTANT NOTICE TO POLICYHOLDERS - ULTRAFLEX PACKAGE PROGRAM
IL0244	09/07	OHIO CHANGES - CANCELLATION AND NONRENEWAL
IL985G*	01/15	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
GU92	07/08	OHIO AMENDATORY ENDORSEMENT
UF8705*	06/96	IMPORTANT NOTICE - NO FLOOD COVERAGE
UF4810*	03/08	IMPORTANT NOTICE - POLICY SERVICE FEES
UF6330*	08/09	IMPORTANT NOTICE: DO YOU USE SUBCONTRACTORS?
FORM SA	11/12	SUBSCRIBERS AGREEMENT
END101R		LONG NAMED ADDITIONAL INSURED ENDORSEMENT
ENDT1		LONG NAMED INSURED ENDORSEMENT
FX0001	06/13	ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

IL0952	01/15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
ULDR	10/09	AGREED AMOUNT CLAUSE
ULNH	05/06	MECHANICAL AND ELECTRICAL BREAKDOWN COVERAGE
ULOA	06/14	PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE
ULDIOH	10/09	LIMITED EMPLOYERS LIABILITY COVERAGE FORM - OHIO
ULLW	05/15	HOSPITALITY ERIEPLACEABLE ENHANCEMENTS ENDORSEMENT

99

CONTINUED ON NEXT PAGE

ERIE INSURANCE EXCHANGE  
ULTRAFLEX POLICY

AMENDED DECLARATIONS \* \* EFFECTIVE 06/14/15  
ATTACH THIS TO YOUR POLICY.

REASON FOR AMENDMENT AMENDED MORTGAGEE

GG4594 ANDREW INS ASSOC INC 06/14/15 TO 06/14/16 Q42 1450799 C

SUPER 8 MOTEL-COLUMBUS EAST  
& ENDT #1  
2055 BRICE RD  
REYNOLDSBURG OH 43068-3447

SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
CG2029	04/13	ADDITIONAL INSURED - GRANTOR OF FRANCHISE
ULCL	04/08	NON-OWNED AUTOS AND/OR HIRED AUTO LIABILITY INSURANCE COVERAGE
UFB785	09/14	IMPORTANT NOTICE TO POLICYHOLDERS - COMMERCIAL GENERAL LIABILITY PROGRAM
ULPA	03/01	PUNITIVE DAMAGES
GU32	03/01	EXCLUSION - LEAD LIABILITY
CG0001	04/13	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
ULED	09/05	EXCLUSION - ASBESTOS
IL0021	09/08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
FX0003	06/14	ULTRAFLEX EXTRA LIABILITY COVERAGES
ULQN	06/14	EXCLUSION - PROFESSIONAL LIABILITY

CG0099	11/85	CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES
CG2147	12/07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
GU30	03/01	AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS
IL0017	11/98	COMMON POLICY CONDITIONS
CG2167	12/04	FUNGI OR BACTERIA EXCLUSION
CG2170	01/15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UF8385	03/95	IMPORTANT NOTICE

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## SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
CG2196	03/05	SILICA OR SILICA-RELATED DUST EXCLUSION
GU136	03/09	AMENDMENT OF MOBILE EQUIPMENT DEFINITION
CG2106	05/14	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION
ULBZ	03/01	EXCLUSION - DESCRIBED HAZARDS (MOTEL, HOTEL, TOURIST COURTS AND CAMPS)
ULUN	09/13	DATA BREACH RESPONSE EXPENSES COVERAGE
ULUP	06/14	DATA BREACH LIABILITY COVERAGE
UFB702	09/13	IMPORTANT NOTICE - DATA BREACH RESPONSE EXPENSES COVERAGE
CG2135	10/01	EXCLUSION - COVERAGE C - MEDICAL PAYMENTS

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07/08/15

# Ultraflex Package Policy



Erie Insurance Exchange®  
Erie Insurance Company

Member • Erie Insurance Group

ERIE INSURANCE GROUP is proud to present this ULTRAFLEX PACKAGE POLICY. This important contract between YOU and The ERIE consists of this policy with coverage agreements, limitations, exclusions and conditions, a Declarations, plus any endorsements. We urge YOU to read it.

The protection given by this policy is in keeping with the single purpose of our Founders: "To provide YOU with as near PERFECT PROTECTION, as near PERFECT SERVICE, as is humanly possible, and to do so at the LOWEST POSSIBLE COST."

## AGREEMENT

### ERIE INSURANCE EXCHANGE

In return for your timely premium payment, your compliance with all of the provisions of this policy, and your signing of a "Subscriber's Agreement" with Erie Indemnity Company and other Subscribers, we agree to provide the coverages you have purchased. Your coverages and limits of protection are shown in the Declarations, which are part of this policy.

Your signing the "Subscriber's Agreement", which includes a limited power-of-attorney, permits Erie Indemnity Company, as Attorney-in-Fact, to make reciprocal insurance contracts between you and other Subscribers and otherwise manage the business of the Erie Insurance Exchange. This power-of-attorney applies only to your insurance business at the Exchange and is limited to the purposes described in the "Subscriber's Agreement".

Your responsibility as a "Subscriber" is determined by this policy and the "Subscriber's Agreement". You are liable for just the policy premiums charged and are not subject to any other premium liability under the policy.

This agreement is made in reliance on the information you have given us and is subject to all of the terms of this policy.

This policy, all endorsements to it, and the "Subscriber's Agreement" constitute the entire agreement between you and us.

### ERIE INSURANCE PROPERTY AND CASUALTY COMPANY

In return for your timely premium payment and your compliance with all of the provisions of this policy, we agree to provide the coverages you have purchased. Your coverages and limits of protection are shown in the Declarations, which are part of this policy.

This agreement is made in reliance on the information you have given us, and is subject to all of the terms of this policy.

This policy and all endorsements to it constitute the entire agreement between you and us.

## DEFINITIONS

### ADDITIONAL ERIE INSURANCE EXCHANGE DEFINITIONS

The following words have this special meaning in policies issued by *Erie Insurance Exchange* when they appear in quotes.

- "Subscriber" means the person who signed, or the partnership, firm or corporation that authorized the signing of, the application for this policy.

- "Subscriber's Agreement" means the agreement, including a limited power-of-attorney among the Subscribers and the Erie Indemnity Company, as Attorney-in-Fact.

## GENERAL POLICY CONDITIONS

### 1. AUTOMATIC RENEWAL POLICY

Your policy will be automatically renewed at the end of the policy period, unless terminated by you or us in accordance with the steps explained in the Cancellation Condition.

Each year, we will send you a Renewal Certificate which shows the premium due for the next policy period.

This is a service that we provide for you so that your insurance protection does not stop.

If you do not want the renewal policy, you must mail our Agent or us written notice in advance of the new policy period. If you do not notify us, your policy remains in effect. You must pay us the earned premium due us for this time.

## 2. CANCELLATION

### Your Right to Cancel or Refuse Renewal

You may cancel this policy or any coverage by mailing or delivering to our Agent or us written notice stating at what future date you want the cancellation to take effect. We may waive these requirements by confirming the date of cancellation to you in writing.

### Our Right to Cancel or Refuse to Renew

We may cancel or refuse to renew by mailing you written notice stating the effective date of our action. Our action will comply with the laws of the state in which your principal office is located. The cancellation will not take effect until at least 30 days (Maryland - 45 days, except for nonpayment of premium - 30 days) after we send it. For states that require a different number of days for notification of cancellation or non-renewal, or specify the reasons for cancellation or non-renewal, an Amendatory Endorsement is attached.

We reserve the right to cancel for your non-compliance with our premium payment plans. We do not waive our right to cancel, even if we have accepted prior late payments.

### Method of Giving Notice

Mailing notice to the address shown on the Declarations will be sufficient proof of notice. The policy period will end on the date and time stated in the notice.

### Return of Premium

If your policy is cancelled by you or us, we will return the pro rata unused share of your premium. Cancellation will be effective even if we have not given or offered the return premium.

## 3. CONCEALMENT, FRAUD OR MISREPRESENTATION

This entire policy is void if before or after a loss any insured has intentionally concealed or misrepresented any material fact or circumstance concerning this insurance.

In the event of a fraudulent claim, we will not make payment for the loss.

## 4. COOPERATION

You agree to cooperate with us by:

- a. truthfully completing and promptly returning questionnaires and audit forms about this insurance;
- b. permitting and helping with inspections and audits; and
- c. complying with specific recommendations to improve your risk.

## 5. HOW YOUR POLICY MAY BE CHANGED

This policy conforms to the laws of the state in which your principal office is located. If the laws of the state change, this policy will comply with these changes.

Your policy may be changed by asking us. Your request must contain enough information to identify you. Asking our Agent is the same as asking us. If we agree with your request, we will then issue an Amended Declarations.

We will give you the benefit of any change in coverage made by us, if it does not require additional premium. This change will be effective as of the date we implement the change for you in your state.

## 6. INCREASE IN HAZARD

Unless we agree beforehand, coverage is suspended if the hazard is substantially increased by any means within the control of the insured.

## 7. INSPECTION AND AUDIT

We have the right but are not obligated to:

- a. make inspections and surveys at any time;
- b. give you reports on the conditions we find; and
- c. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to provide for the health or safety of workers or the public. We do not warrant that your property or operations are safe, healthful or in compliance with any law, regulation, code or standard. Inspections, surveys, reports or recommendations are for our benefit only.

This condition also applies to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

We may examine and audit your books and records at any time during or within three years after the policy period, as they relate to this insurance. No appeals or disputes regarding your premium will be permitted three years after your audit is completed.

## 8. OUR RIGHT TO RECOVER FROM OTHERS

After we make a payment under this policy, we will have the right to recover from anyone else held responsible. This right will not apply under Property Protection if you have waived it in writing prior to loss. Any insured is required to transfer this right to us, and do nothing to harm this right. Anyone receiving payment from us and from someone else for the same loss will reimburse us up to our payment.

## 9. POLICY ACCEPTANCE

By accepting this policy, you agree that the statements on the Declarations are accurate and complete and are based on the facts you have given us. This policy is issued in reliance on these facts.

## 10. PREMIUMS

The first Named Insured shown in the Declarations:

- a. is responsible for the payment of all premiums; and
- b. will be the payee for any return premiums we pay.

## 11. PRIORITY

At our option, this insurance will first protect you, and then others we protect.

## 12. TIME OF INCEPTION

If this policy replaces another policy ending at noon on the date of this policy, we will protect you as of that time.

## 13. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## ADDITIONAL ERIE INSURANCE EXCHANGE CONDITION

The following condition applies *only* to policies issued by *Erie Insurance Exchange*.

### 1. ACCOUNTING

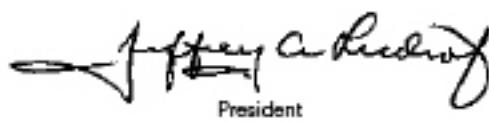
Erie Indemnity Company may keep up to 25% of the premium written or assumed by Erie Insurance Exchange as compensation for:

- a. becoming and acting as Attorney-in-Fact;
- b. managing the business and affairs of Erie Insurance Exchange, its affiliates and subsidiaries; and
- c. paying general administrative expenses, including sales commissions, salaries, and other employment costs, the cost of supplies, and other administrative costs.

The rest of the premium will be placed on the books of the *Erie Insurance Exchange*. We will deposit or invest this amount as permitted by law. This amount will be used to pay losses, adjustment expenses, legal expenses, court costs, taxes, assessments, licenses, fees, and other governmental fines and charges, establishment of reserves and surplus, and reinsurance, and may be used for dividends and other purposes Erie Indemnity Company decides are to the advantage of the Subscribers.



James J. Tamous  
Secretary



Jeffrey A. Biedrzy  
President



Home Office • 100 Erie Insurance Place • Erie, PA 16530 • 814.870.2000  
Visit our Website at [www.erieinsurance.com](http://www.erieinsurance.com)

ERIE INSURANCE  
ULTRAFLEX PACKAGE  
UF-B796 (Ed. 5/15)

## IMPORTANT NOTICE TO POLICYHOLDERS – ULTRAFLEX PACKAGE PROGRAM

### DIRECTORS AND OFFICERS LIABILITY COVERAGE

**This Notice applies to renewal policies only. If your policy is new, this Notice is not applicable.**

This Notice is a basic description of the significant changes in terms, coverages, and exclusions that will be effective upon renewal of your Ultraflex Policy. Some of the changes described below will result in the reduction of coverage or the addition of an exclusion of coverage in your policy. Other changes may broaden, clarify, or have no impact on coverage. This notice does not reference every editorial change made in your policy.

This Notice provides a listing of form and endorsement changes that have been made to the Ultraflex Package Program. These program changes apply to new and renewal policies. If a form or endorsement described below is applicable to your policy it will appear on the Declarations under the Schedule of Forms.

This Notice is not an insurance policy or contract. All coverages are subject to the specific terms, conditions, limits, and exclusions contained in your renewal policy and all applicable endorsements. PLEASE READ YOUR RENEWAL POLICY AND ENDORSEMENTS CAREFULLY for details regarding coverage including the limitation of coverage. In the case of any conflict between this Notice and the policy including endorsements, the policy language is controlling. Your payment of the renewal premium for this policy acknowledges your understanding and acceptance of the changes outlined in this Notice. If you have any questions concerning this Notice or your renewal policy and endorsements, please contact your ERIE Agent.

**Directors and Officers Liability Coverage – Condominiums (UL-BK; UL-BKIL; UL-BKNC; UL-BKNY)**

**Directors and Officers Liability Coverage – Homeowners (UL-KZ; UL-KZIL; UL-KZNC; UL-KZNY)**

**Directors and Officers Liability Coverage – Churches (UL-JO; UL-JOIL; UL-JONC; UL-JONY)**

#### Reduction in Coverage:

- **Issuance or Sale of Securities**
  - These endorsements were revised to exclude any equity or debt offering, solicitation, sale, distribution, or issuance of securities of the Homeowners Association, Condominium Association, or Church.

#### Clarification in Coverage:

- **Securities Exclusion**
  - These endorsements were revised to clarify the Securities Exclusion applies to the actual or alleged violation in the purchasing or sales of any securities.
- **Violation of Laws Exclusion**
  - These endorsements were revised to clarify the Violation of Laws exclusion only applies to the violation of employment laws.
- **Definition of Wrongful Act**
  - These endorsements were revised to clarify coverage for a "wrongful act" applies to any "insured" and not just a "director and officer".

#### Broadening in Coverage:

- **Who Is An Insured**
  - These endorsements were revised to include Employees, Volunteer Workers, and Committee Members as an insured.



ERIE INSURANCE GROUP

INTERLINE  
IL 02 44 (Ed. 9/07) UF-3029

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**OHIO CHANGES - CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART

FARM UMBRELLA LIABILITY POLICY

LIQUOR LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** With respect to a policy which has been in effect for more than 90 days, or is a renewal of a policy we issued, the **Cancellation** Common Policy Condition is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy only for one or more of the following reasons, except as provided in Paragraph **6.** below.
  - a. Nonpayment of premium;
  - b. Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted thereunder;
  - c. Discovery of a moral hazard or willful or reckless acts or omissions on your part which increases any hazard insured against;
  - d. The occurrence of a change in the individual risk which substantially increases any hazard insured against after the insurance coverage has been issued or renewed except to the extent the insurer could reasonably have foreseen the change or contemplated the risk in writing the contract;

e. Loss of applicable reinsurance or a substantial decrease in applicable reinsurance, if the Superintendent has determined that reasonable efforts have been made to prevent the loss of, or substantial decrease in, the applicable reinsurance, or to obtain replacement coverage;

f. Failure of an insured to correct material violations of safety codes or to comply with reasonable written loss control recommendations; or

g. A determination by the Superintendent of Insurance that the continuation of the policy would create a condition that would be hazardous to the policyholders or the public.

3. We will mail written notice of cancellation to the first Named Insured, and agent if any, at the last mailing address known to us. Proof of mailing will be sufficient proof of notice.
4. We will mail the notice of cancellation at least:
  - a. 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation, if we cancel for a reason stated in **2.b.** through **2.g.** above.

5. The notice of cancellation will:
  - a. State the effective date of cancellation. The policy period will end on that date.
  - b. Contain the date of the notice and the policy number, and will state the reason for cancellation.
6. Policies written for a term of more than one year or on a continuous basis may be cancelled by us for any reason at an anniversary date, upon 30 days' written notice of cancellation.
7. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

**B.** The following is added to the **Common Policy Conditions** and supersedes any provisions to the contrary:

#### **NONRENEWAL**

1. If we elect not to renew this policy, we will mail written notice of nonrenewal to the first Named Insured, and agent if any, at the last mailing addresses known to us. The notice will contain the date of the notice and the policy number, and will state the expiration date of the policy.
2. We will mail the notice of nonrenewal at least 30 days before the expiration date of the policy.
3. Proof of mailing will be sufficient proof of notice.

#### **C. Common Policy Conditions**

1. Paragraph **A.2.a.** of the **Businessowners** Common Policy Conditions is deleted.
2. Paragraph **E.2.** of the **Cancellation** Common Policy Condition in the Standard Property Policy is deleted. Paragraph **E.2.** is replaced by the following (unless Item **A.** of this endorsement applies):

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- b. 30 days before the effective date, if we cancel for any other reason.

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IL 9 85G (Ed. 1/15) UF-B478

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

#### **Terrorism Premium (Certified Acts) \$ 4**

**This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Forms(s) and/or Policy(s):**

Ultraflex Package

**Additional Information, if any, concerning the terrorism premium:**

#### **SCHEDULE – PART II (Refer to Paragraph B. in this endorsement)**

**Federal share of Terrorism Losses 85% Year: 2015**

**Federal share of Terrorism Losses 84% Year: 2016**

**Federal share of Terrorism Losses 83% Year: 2017**

**Federal share of Terrorism Losses 82% Year: 2018**

**Federal share of Terrorism Losses 81% Year: 2019**

**Federal share of Terrorism Losses 80% Year: 2020**

(Applicable if policy is in force)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses at-

tributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### **C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion,

and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



ERIE INSURANCE GROUP

COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-92 (Ed. 7/08) UF-3523

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OHIO AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

OHIO CHANGE - CANCELLATION AND NONRENEWAL

COMMERCIAL GENERAL LIABILITY POLICY

FIVESTAR CONTRACTORS' POLICY

ULTRAFLEX PACKAGE POLICY

ULTRAPACK BUSINESS POLICY

ULTRASURE PACKAGE POLICY FOR PROPERTY OWNERS

**A. The Introductory Paragraph prior to the Agreement Section** is replaced by the following:

ERIE INSURANCE GROUP is proud to present this policy. This important contract between YOU and consists of this policy, with coverage agreements, limitations, exclusions and conditions, your application, your Declarations, applicable endorsements and waivers, and the "Subscriber's Agreement", all of which are specifically incorporated into, and made a part of your policy. This policy is written in plain, simple terms so that it can be easily understood. We urge YOU to read it.

The protection given by this policy is in keeping with the single purpose of our Founders: "To provide YOU with as near PERFECT PROTECTION, as near PERFECT SERVICE, as is humanly possible, and to do so at the LOWEST POSSIBLE COST."

**B. The last two paragraphs under Agreement - Erie Insurance Exchange** are replaced by the following:

This agreement is made in reliance on the information you have given us, including the statements made in the application which are incorporated into and made a part of this policy. This agreement is subject to all of the terms of this policy.

This policy, with coverage agreements, limitations, exclusions and conditions, your application, your Declarations, applicable endorsements and waivers, and the "Subscriber's Agreement", constitute the entire agreement between you and us.

**C. Automatic Renewal Policy in the General Policy Conditions** is replaced by the following:

### **DURATION OF COVERAGE**

This policy is written for a specific time period as indicated in your Declarations, unless terminated by you or us. Each renewal and issuance of Declarations, and your corresponding payment of the premium for coverage shall constitute a new contract between you and us, as allowed by law, for the coverages and terms stated on the Declarations.

**D. Concealment, Fraud or Misrepresentation in the General Policy Conditions** is replaced by the following:

### **CONCEALMENT, FRAUD, MISREPRESENTATION AND BREACH OF WARRANTY**

This entire policy is void if before or after a loss any insured has intentionally concealed or misrepresented any material fact or circumstance concerning this insurance.

All statements made by you on the application (which is expressly incorporated as part of this policy) constitute warranties and not mere representations. The falsity of any statement made by you on the application renders this policy void back to its inception regardless of whether the false statement was in any way related to the cause of any loss.

In the event of a fraudulent claim, we will not make payment for the loss.

**E. Policy Acceptance in the General Policy Conditions** is replaced by the following:

#### **POLICY ACCEPTANCE AND WARRANTIES**

By accepting this policy, you agree that:

- a. the statements on the Declarations are accurate and complete;
- b. those statements are based on the facts you have given us, including the information set forth in the application;
- c. the application is incorporated by reference and made a part of your policy and all statements made in the application constitute warranties;
- d. we have issued this policy in reliance upon the facts you have given us and your statements, as described above.

**F. The following is added to Paragraph A.1. of Ohio Changes - Cancellation and Nonrenewal:**

If you do not notify us that you want to cancel or refuse renewal in advance of a new policy period, you must pay the earned premium due until cancellation is effective. We may waive these requirements by confirming the date of cancellation to you in writing.

ERIE INSURANCE  
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ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
ULTRASURE FOR LANDLORDS  
FIVESTAR CONTRACTORS'  
COMMERCIAL PROPERTY  
HOME PROTECTOR  
DWELLING PROPERTY  
UF-8705 (Ed. 6/96)

## **IMPORTANT NOTICE - NO FLOOD COVERAGE**

Your basic policy covers losses from many perils. However, it **DOES NOT** provide coverage for flood loss.

Insurance covering flood loss is generally available through the National Flood Insurance Program.

In an effort to serve you, information about flood insurance and the National Flood Insurance Program can be provided by your ERIE Agent.

ERIE INSURANCE  
BOAT PROTECTOR  
BUSINESS CATASTROPHE LIABILITY  
COMMERCIAL FIRE  
COMMERCIAL CRIME  
COMMERCIAL GENERAL LIABILITY  
COMMERCIAL INLAND MARINE  
DWELLING PROPERTY/PERSONAL LIABILITY  
FIVESTAR CONTRACTORS'  
HOMEPROTECTOR  
MOBILE HOMEPROTECTOR  
PERSONAL CATASTROPHE LIABILITY  
PERSONAL INLAND MARINE  
SURETY  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR LANDLORDS  
ULTRASURE FOR PROPERTY OWNERS  
WORKERS' COMPENSATION  
UF-4810 (Ed. 3/08)

## IMPORTANT NOTICE - POLICY SERVICE FEES

Dear Policyholder:

**SERVICE FEES** - For policies effective on and after March 1, 2008, the following service fees will be applicable to all payment plans.

- **Returned Payment Fee** - A **\$25.00** charge will be applied to your account if your check or other payment is returned unpaid by your financial institution.
- **Late Fee** - A **\$10.00** charge will be applied to your account when a cancellation notice is issued on your policy because of non-payment of premium.
- **Reinstatement Fee** - A **\$25.00** charge will be applied to your account when your policy is reinstated with a lapse in coverage following cancellation of your policy because of non-payment of premium.

If you have any questions concerning this Important Notice, please contact your ERIE Agent.



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FIVESTAR CONTRACTORS  
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COMMERCIAL GENERAL LIABILITY  
(Ed. 8/09) UF-6330

## IMPORTANT NOTICE: DO YOU USE SUBCONTRACTORS?

If you use subcontractors in your business, please read the following notice.

**It is important to have and maintain Certificates of Insurance for all subcontractors. This will verify that each subcontractor is adequately insured and may protect your business from costly losses. If you do not have and maintain certificates from subcontractors, their costs will be added to the audited payroll of this policy according to the applicable general liability manual rules for uninsured subcontractors. These rules apply in all states where you operate. Uninsured subcontractors represent a significant increase to your general liability loss exposures and could impact your future insurability with ERIE.**

When this liability policy was issued, the premium was based on estimated rating information for your operations. Payrolls were not estimated for subcontractors that you hired during the policy period. Therefore, you will be charged an additional premium for subcontractors who do not provide you with certificates of liability insurance, or those that do not have adequate general liability insurance limits. For a subcontractor, ERIE considers general liability insurance limits of at least \$1,000,000 to be adequate.

When your policy term expires, ERIE may audit your operations and review the subcontractors used during the policy term. The audit will ensure that you pay the appropriate premium for your exposure. As part of the audit process, we will ask you for copies of the Certificates of Insurance for each subcontractor that cover the time period the subcontractor performed work for you. Therefore, you may be required to submit more than one Certificate of Insurance for the same subcontractor. If you do not have the certificates, or cannot produce the certificates at the time of the audit, the subcontractor will be considered uninsured and a premium charge will be made.

If you have any questions regarding this notice, please contact your ERIE agent. Thank you for your business.

**THIS IS AN ENDORSEMENT TO YOUR POLICY. PLEASE READ IT CAREFULLY.**

## **SUBSCRIBER'S AGREEMENT**

*The following is the language of the Subscriber's Agreement that applies to policies issued by ERIE INSURANCE EXCHANGE. Definitions included in this Agreement apply only to the Subscriber's Agreement.*

The Subscriber ("you" or "your") agrees with the other Subscribers at ERIE INSURANCE EXCHANGE ("ERIE"), a Reciprocal/Inter-Insurance Exchange, and with their Attorney-in-Fact, the Erie Indemnity Company ("we" or "us"), a Pennsylvania corporation with its Home Office in Erie, Pennsylvania, to the following:

1. You agree to pay your policy premiums and to exchange with other ERIE Subscribers policies providing insurance for any insured loss as stated in those policies.
2. You appoint us as Attorney-in-Fact with the power to: a) exchange policies with other ERIE Subscribers; b) take any action necessary for the exchange of such policies; c) issue, change, nonrenew or cancel policies; d) obtain reinsurance; e) collect premiums; f) invest and reinvest funds; g) receive notices and proofs of loss; h) appear for, compromise, prosecute, defend, adjust and settle losses and claims under your policies; i) accept service of process on behalf of ERIE as insurer; and j) manage and conduct the business and affairs of ERIE, its affiliates and subsidiaries. This power of attorney is limited to the purposes described in this Agreement.
3. You agree that as compensation for us: a) becoming and acting as Attorney-in-Fact; b) managing the business and affairs of ERIE; and c) paying general administrative expenses, including sales commissions, salaries and employee benefits, taxes, rent, depreciation, supplies and data processing, we may retain up to 25% of all premiums written or assumed by ERIE. The rest of the premiums will be used for losses, loss adjustment expenses, investment expenses, damages, legal expenses, court costs, taxes, assessments, licenses, fees, and any other governmental fines and charges, establishment of reserves and surplus, and reinsurance, and may be used for dividends and other purposes we decide are to the advantage of Subscribers.
4. You agree that this Agreement, including the power of attorney, shall have application to all insurance policies for which you apply at ERIE, including changes in any of your coverages.
5. You agree to sign and deliver to us all papers required to carry out this Agreement.
6. This Agreement, including the power of attorney, shall not be affected by your subsequent disability or incapacity.
7. This Agreement is and shall be binding upon you, us, and all executors, administrators, successors and assigns.

*(Subscriber's Agreement language updated 1996.)*

Form SA

ERIE INSURANCE  
ULTRAFLEX PACKAGE  
FX-00-01 (Ed. 6/13) UF-3553

## ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the "Declarations". The words "we", "us", and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section XI - Definitions**.

### SECTION I - COVERAGES

#### INSURING AGREEMENT

We will pay for direct physical "loss" of or damage to covered property at the premises described in the "Declarations" caused by or resulting from a peril insured against.

#### BUILDING(S) - COVERAGE 1

##### A. Covered Property

Building(s) means buildings described in the "Declarations" and anything permanently attached. It also includes:

1. Building equipment and fixtures servicing the premises;
2. Personal property you have for the service and maintenance of the buildings and premises including, but not limited to the following:
  - a. Fire extinguishing equipment;
  - b. Outdoor furniture;
  - c. Floor coverings;
  - d. Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering; and
  - e. Flag poles and outdoor lights;
3. Vegetated roofs, including lawns, trees, shrubs, and plants which are part of a vegetated roof;
4. Glass which you own. The glass must be part of the building or in the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
- b. Replacement of lettering, ornamentation, or burglar alarm foil;
- c. Repair or replacement of frames;

- d. Installation of temporary coverings; and
- e. Removal of obstructions;
5. Exterior signs, lights, and clocks which you own. Exterior signs, lights, and clocks must be permanently attached to the building(s) on the premises described in the "Declarations".

##### B. Property Not Covered

Building(s) does not apply to:

1. Fences, walks, and unattached outbuildings not described in the "Declarations", except as provided in Extensions of Coverage - A.3.;
2. Outdoor swimming pools and equipment pertaining thereto not described in the "Declarations";
3. Bulkheads, pilings, piers, wharves, or docks not described in the "Declarations";
4. Bridges, roadways, patios, or other paved surfaces;
5. Retaining walls that are not part of a building, or not described in the "Declarations";
6. The cost of excavation, grading, backfilling, or filling;
7. Trees, shrubs, lawns, and plants (other than trees, shrubs, lawns, and plants which are part of a vegetated roof), except as provided in Extensions of Coverage - A.9.;
8. Unattached outdoor signs, lights, and clocks except as provided in Extensions of Coverage - A.2.;
9. Underground pipes, flues, or drains;
10. Land (including land on which covered property is located) or water; and
11. Property specifically insured in whole or in part by this or any other insurance.

##### C. Amount of Insurance

The most we will pay for "loss" or damage to any building described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for that building subject to the applicable Automatic Adjustment of Coverage Amounts.

##### D. Automatic Adjustment of Coverage Amounts

This policy provides you with a guard against the effect of inflation on construction costs for Building(s) - Coverage 1.

We will keep track of costs and at the next policy period we will adjust the amount of your building coverage if necessary. Your premium will be adjusted at each policy period to reflect any change in the amount of insurance.

During the policy period, if there is an increase in construction costs and a "loss" occurs, we will reflect the increase in the amount of insurance for Building(s) - Coverage 1 before making payment. The amount of increase in the amount of insurance will be:

1. The amount of insurance that applied to your covered building(s) on the most recent of: the policy inception date, the policy anniversary date, or any other policy change amending the amount of insurance, times
2. The percentage of annual increase shown in the "Declarations", expressed as a decimal (example: 8% is .08), times
3. The number of days since the beginning of the current policy period or the effective date of the most recent policy change amending the amount of insurance to your covered building(s), divided by 365.

There will be no charge for this additional coverage.

If the amount of insurance shown in the "Declarations" for Building(s) - Coverage 1 is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

## **BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2**

### **A. Covered Property**

Business Personal Property and Personal Property of Others means:

1. Personal property pertaining to your business, professional or institutional activities, including leased-property you are contractually responsible to insure;
2. Personal property of others that is in your care, custody, or control;
3. Labor, materials, or services furnished or arranged by you on personal property of others;
4. Your use interest as a tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions:
  - a. Made a part of the building or structure you occupy but do not own; and
  - b. You acquired or made at your expense but cannot legally remove;
5. Attached exterior signs which you own or which are in your care, custody, or control and for which you are contractually responsible. The attached exterior signs must be permanently attached to the building on the premises described in the "Declarations"; and
6. Glass which is in your care, custody, or control and for which you are contractually responsible. The glass must be part of the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
- b. Replacement of lettering, ornamentation, or burglar alarm foil;
- c. Repair or replacement of frames;
- d. Installation of temporary coverings; and
- e. Removal of obstructions.

while in or on the described buildings, or in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

Our payment for "loss" of or damage to personal property of others will only be made to the owner of the property.

### **B. Property Not Covered**

Business Personal Property and Personal Property of Others does not apply to:

1. "Automobiles" held for sale;
2. Vehicles or self-propelled machines (including "aircraft" or watercraft) that:
  - a. Can be licensed for use on public roads, except vehicles that are solely used to service the premises described in the "Declarations"; or
  - b. Are operated principally away from the premises described in the "Declarations".

This paragraph does not apply to:

- a. Vehicles or self-propelled machines or "automobiles" you manufacture, process, or warehouse;
- b. Vehicles or self-propelled machines, other than "automobiles", you hold for sale or repair;
- c. Rowboats or canoes out of water at the premises described in the "Declarations"; or
- d. Trailers, but only to the extent provided for in the Extensions of Coverage - **B.22.**;
3. Unattached exterior signs, lights, and clocks, except as provided in Extensions of Coverage - **A.2.**;
4. "Money" and "securities", except as provided in Extensions of Coverage - **B.4., B.6., B.9., B.19., and B.20.**;
5. Your property sold on installment or deferred payment plans after delivery to customers;
6. Household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees, except as provided in Extensions of Coverage - **B.23.**;
7. Trees, shrubs, lawns, and plants, except as provided in Extensions of Coverage - **A.9.**;

8. Crops and growing crops while outside of the building(s);
9. Contraband, or property in the course of illegal transportation or trade;
10. "Electronic data" including the cost to research, replace, or restore the information on "electronic data" or magnetic media, except as provided in **Section IV - Additional Coverages - C. 2.**

We will cover "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems;

11. The cost to research, replace, or restore the information on valuable papers and records, except as provided in Extensions of Coverage - **B.30.** Valuable papers and records include proprietary information; written, printed, or inscribed documents and records; including books, maps, films, abstracts, drawings, deeds, mortgages, card index systems, and manuscripts;
12. Fine arts, except as provided in Extensions of Coverage - **B.12.** Fine arts include paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; porcelains; and similar property of rarity, historic value, or artistic merit;
13. Animals, unless owned by others and boarded by you or if owned by you as stock while inside the building(s) described in the "Declarations";
14. "Mobile equipment":
  - a. While being used or stored away from the premises described in the "Declarations"; or
  - b. While at or being transported to or from job sites away from the premises described in the "Declarations"; and
15. Property specifically insured in whole or in part by this or any other insurance.

### **C. Amount of Insurance**

The most we will pay for "loss" or damage to Business Personal Property and Personal Property of Others on the premises described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others on that premises.

## **ADDITIONAL INCOME PROTECTION - COVERAGE 3**

### **A. Additional Income Protection Coverage**

Income Protection means loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the

open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

1. You rent, lease, or occupy;
2. All routes within the building that service or are used to gain access to the described premises; and
3. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

### **B. Extra Expense Coverage**

Extra expense coverage is provided at the premises described in the "Declarations" only if the "Declarations" show that Additional Income Protection Coverage applies to that premises.

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay necessary actual and necessary "extra expenses" (other than the expense to repair or replace property) sustained by you to:

1. Avoid or minimize the "interruption of business" and to continue your business operations:
  - a. At the premises described in the "Declarations"; or
  - b. At replacement premises or at temporary locations, including:
    - 1) Relocation expenses; and
    - 2) Costs to equip and operate the replacement premises or temporary locations.
2. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

We will not pay any "loss" or damage to your buildings or business personal property and personal property of others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "electronic data". We will pay the extra cost to repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

## C. Additional Coverages

### 1. Civil Authority

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- a. Four consecutive weeks after the date of that action; or
- b. When your Civil Authority coverage for "income" and/or "rental income" ends; whichever is later.

### 2. Full Resumption of Operations

We will also pay your actual loss of "income" and/or "rental income" for an additional 60 days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- a. The date on which the liability for Additional Income Protection - Coverage 3 would terminate if this clause had not been included; or
- b. The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

## D. Amount of Insurance

We will pay the actual loss of "income" and/or "rental income" sustained by you up to the Occurrence Limit shown in the "Declarations".

The "income" and/or "rental income" loss sustained by you shall not exceed:

1. The actual reduction of "income" and/or "rental income", during the "interruption of business"; and
2. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business", or during the period when the tenant cannot inhabit the premises.

We will pay up to \$100 a day, for seven (7) days, after your business is suspended to cover loss of "income" and/or "rental income" sustained by you while you are determining your actual income protection loss. The amount paid will be subtracted from your actual loss of "income" and/or "rental income".

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments under the following coverages will not increase the applicable Occurrence Limit for Additional Income Protection – Coverage 3:

1. Extra Expense Coverage;
2. Civil Authority; or
3. Full Resumption of Operations.

## GLASS AND LETTERING - COVERAGE 4

### Covered Property

Glass and Lettering means for the premium shown in the "Declarations", the deductible does not apply to glass covered under Building(s) - Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2.

## SIGNS, LIGHTS, AND CLOCKS - COVERAGE 5

### Covered Property

The \$5,000 amount of insurance provided in Extensions of Coverage - Exterior Signs, Lights, and Clocks - A.2. is increased by the amount shown in the "Declarations" for those items that are separately scheduled and are subject to the exclusions listed in Section III - Exclusions and Section VIII - Extensions of Coverage.

The maximum amount of insurance we will pay for any one covered "loss" is the:

1. \$5,000 amount of insurance shown in the Extensions of Coverage - Exterior Signs, Lights, and Clocks - A.2.; and
2. The amount of insurance shown in the "Declarations".

If a deductible amount for Signs, Lights, or Clocks - Coverage 5 is shown in the "Declarations", this deductible amount replaces the \$100 deductible amount shown in Paragraph A.2. of Exterior Signs, Lights, and Clocks of Section VIII - Extensions of Coverage.

## **SECTION II - PERILS INSURED AGAINST**

### **BUILDING(S) - COVERAGE 1**

### **BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2**

### **ADDITIONAL INCOME PROTECTION - COVERAGE 3**

#### **Covered Cause of Loss**

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

### **GLASS AND LETTERING - COVERAGE 4**

#### **Covered Cause of Loss**

For Glass and Lettering this policy insures against direct physical "loss" to glass, except fire and scratching, and as excluded or limited in this policy.

## **SECTION III - EXCLUSIONS**

### **A. Coverages 1, 2, 3, 4, and 5**

We do not cover under Building(s) - Coverage 1; Business Personal Property and Personal Property of Others - Coverage 2; Additional Income Protection - Coverage 3; Glass and Lettering - Coverage 4; and Signs, Lights, and Clocks - Coverage 5 "loss" or damage caused directly or indirectly by any of the following. Such "loss" or damage is excluded regardless of any cause or event that contributes concurrently or in any sequence to the "loss":

1. Deterioration or depreciation.
2. Intentional loss, meaning any "loss" arising from an act committed by or at the direction of the insured with the intent to cause a "loss".
3. "Loss" or damage caused by or resulting from any of the following:
  - a. By weather conditions, but only if weather conditions contribute in any way with a peril excluded in Part A. of Section III - Exclusions to produce the "loss";
  - b. By acts or decisions, including the failure to act or decide, of anyone;
  - c. By faulty, inadequate, or defective:
    - 1) Planning, zoning, development, surveying;
    - 2) Design, specifications, workmanship, repair, construction, renovating, remodeling, grading, or compaction;
    - 3) Materials used in repair, construction, renovation, or remodeling; or
    - 4) Maintenance;

of property whether on or off the insured premises by anyone, but if "loss" by a peril insured against results, we will pay for the ensuing "loss".

4. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of "loss".

#### **5. Earth Movement**

- a. Earthquake, including tremors and aftershocks, and any earth sinking, rising, or shifting related to such event;
- b. Landslide, including any earth sinking, rising, or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
- d. Earth sinking (other than sinkhole collapse), rising, or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations, or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface.

This exclusion applies regardless of whether any of the above, in Paragraphs **5.a.** through **5.d.**, is caused by an act of nature or is otherwise caused.

But if Earth Movement, as described in **5.a.** through **5.d.** above, results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

Volcanic action means direct "loss" or damage resulting from the eruption of a volcano when the "loss" or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust, or particulate matter; or
- c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This does not include the cost to remove ash, dust, or particulate matter that does not cause direct "loss" to the covered property.

This exclusion does not apply to property being transported.

#### **6. Water**

- a. Flood, surface water, waves, (including tidal water and tsunami), tides, tidal wave, overflow of any body of water or spray from any of these, all whether driven by wind or not (including storm surge);
- b. Mudslide or mudflow;
- c. By water or sewage which backs up through sewers or drains, or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other

- system designed to remove subsurface water which is drained from the foundation area;
- d. Water under the ground surface pressing on, or flowing or seeping through:
  - 1) Foundations, walls, floors, or paved surfaces;
  - 2) Sidewalks or driveways;
  - 3) Basements, whether paved or not; or
  - 4) Doors, windows, or other openings.
- e. Water from a broken water main. However, this exclusion does not apply to water flowing or seeping from a broken water main where the break occurs on the premises described in the "Declarations".
- f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **6.a.**, **6.c.**, **6.d.**, or **6.e.** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **6.a.** through **6.f.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water, as described in Paragraphs **6.a.** through **6.f.** results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

This exclusion does not apply to property being transported.

## 7. War

- a. War including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War exclusion supersedes Paragraph **A.9.** of Section III – Exclusions, the nuclear hazard exclusion.

## 8. Seizure or destruction of covered property by order of governmental authority, except as provided in Extensions of Coverage - **B.3.** and **B.15.**

We will also cover "loss" caused by acts of destruction ordered by governmental authority to prevent the spread of a fire.

- 9. Nuclear reaction or radiation, or radioactive contamination unless fire ensues, and then only for ensuing "loss".
- 10. By the enforcement of or compliance with any law or ordinance regulating the construction, use, or repair of any property, or requiring the tearing down of any property, including the cost of removing its debris, except as provided in Extensions of Coverage - **B.3.**, **B.7.**, and **B.8.**
- 11. The failure of power, communication, water, or other utility service supplied to the insured premises, however caused, if the failure:
  - a. Originates away from the premises described in the "Declarations"; or
  - b. Originates at the premises described in the "Declarations", but only if such failure involves equipment used to supply the utility service to the premises described in the "Declarations" from a source away from the premises described in the "Declarations";

except as provided in Extensions of Coverage - **A.6.** and **A.8.**, unless a covered "loss" ensues, and then only for ensuing "loss".

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

"Loss" or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular, or satellite network.

Exclusions **A.5.** through **A.11.** apply whether or not the loss event results in widespread damage or affects a substantial area.

## B. Coverages 1, 2, and 3

We do not cover under Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2, and Additional Income Protection - Coverage 3 "loss" caused:

- 1. By:
  - a. Wear and tear, rust, or corrosion;
  - b. Change in flavor, color, texture, or finish;
  - c. Damp or dry air;
  - d. Inherent vice;
  - e. Smog;
  - f. Latent or hidden defect;
  - g. Marring or scratching;
  - h. Smoke, vapor, or gases from agricultural or industrial operations;

- i. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs, or ceilings;
- j. Termites, vermin, insects, rodents, birds, skunks, raccoons, spiders, or reptiles;
- k. Or to machines and machinery by rupture, bursting, or disintegration of their rotating or moving parts resulting from centrifugal or reciprocating force; or
- l. Mechanical breakdown;

unless a covered "loss" ensues, and then only for ensuing "loss".

- 2. By discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril insured against. But if "loss" or damage by a peril insured against results from the discharge, dispersal, seepage, migration, release, or escape of "pollutants", we will pay for the resulting damage caused by the peril insured against.
- 3. By mysterious disappearance, unexplained loss, or inventory shortage. We will accept inventory records as a means of proving the amount of a covered "loss".
- 4. By the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot, or bacteria.

But if "fungus", wet or dry rot, or bacteria results in a covered loss from a peril insured against, we will pay for the loss or damage caused by that peril insured against.

This exclusion does not apply:

- a. When "fungus", wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent that coverage is provided in **Section IV – Additional Coverages - Limited Coverage For "Fungus", Wet Rot, Dry Rot, And Bacteria** with respect to loss or damage caused by a peril insured against other than fire or lightning.

- 5. By continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.
- 6. By freezing due to temperature reduction to plumbing, heating, air conditioning, or other equipment or appliances (except fire protective systems) or by water, other liquids, powder or molten material that leaks or flows from such items while the described building is vacant for more than 60 consecutive days, unless you have exercised reasonable care to:
  - a. Maintain heat in the building; or
  - b. Shut off the water supply and drain the system or appliance of water.

- 7. By collapse, including any of the following conditions of property or any part of the property:
  - a. An abrupt falling down or caving in;
  - b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - c. Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to **a.** or **b.** above.

But if collapse results in a peril insured against at the premises described in the "Declarations", we will pay for the "loss" or damage caused by the peril insured against.

**Exclusion B.7.** does not apply:

- a. To the extent that coverage is provided in Section IV - Additional Coverages, A. Collapse; or
- b. To collapse caused by one or more of the following:
  - 1) Fire; lightning; windstorm; hail; explosion; smoke; "aircraft"; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes; or
- b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities;
- 2) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
- 3) Breakage of building glass;
- 4) Weight of rain that collects on a roof; or
- 5) Weight of people or personal property.

- 8. By explosion of, including resulting damage to, steam boilers, steam pipes, steam turbines, or steam engines if owned by, leased by, or operated under your control. We also do not cover damage to these caused by any condition or occurrence within the boilers, pipes, turbines, or engines. We will pay for "loss" from the explosion of gases or fuel within the combustion chamber, flues, or passages of any fired

vessel. We will also pay for "loss" by ensuing fire or explosion not included in this paragraph.

9. To hot water boilers or other water heating equipment, caused by a condition or occurrence within the boilers or equipment, other than an explosion.
10. By electricity including electric arching other than lightning, unless fire or explosion ensues, and then only for ensuing "loss", except as provided in Extensions of Coverage - **A.1**.
11. To the interior of the building or the contents by rain, snow, sand, or dust, whether driven by wind or not, unless the exterior of the building first sustains damage to its roof or walls by a peril insured against. We will pay for "loss" caused by or resulting from the thawing of snow, sleet, or ice on the building.
12. To outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers by windstorm or hail.
13. By dishonest or criminal acts (including theft) committed by you, or any of your members of a limited liability company, or any of your employees (including temporary or leased employees), directors, officers, trustees, or authorized representatives:
  - a. Acting alone or in collusion with other persons; or
  - b. While performing services for you or otherwise.
- We will cover acts of destruction by your employees (including temporary or leased employees) but only for ensuring "loss", but there is no coverage for "loss" or damage:
  - a. By theft by your employees (including temporary or leased employees) or any person to whom you entrust property for any purpose, whether acting alone or in collusion with any other party; or
  - b. Caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code, or similar instruction, of a computer system (including "electronic data") by your employees.
14. To any merchandise, goods, or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production, or use of the product, including planning, testing, processing, packaging, installation, maintenance, or repair. This exclusion applies to any effect that compromises the form, substance, or quality of the product. But if such error or omission results in a "loss" by a peril insured against, we will pay for the "loss" or damage caused by that peril insured against.

15. By or resulting from any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness, or disease.

### C. Coverage 1

We do not cover under Building(s) - Coverage 1 "loss" caused:

1. To fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves, or docks, when covered under the policy, by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.
2. To building materials and supplies not attached as part of the building, unless held for sale by you, caused by or resulting from theft. We will cover "loss" to building materials and supplies located in the building described on the premises in the "Declarations" caused by a peril insured against including theft. We will pay up to 10% of the Building(s) - Coverage 1 limit but not to exceed \$100,000 for any one "loss".
3. To vegetated roofs for "loss" caused by or resulting from:
  - a. Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - b. Changes in or extremes of temperature;
  - c. Disease;
  - d. Frost or hail; or
  - e. Rain, snow, ice, or sleet.

### D. Coverage 2

We do not cover under Business Personal Property and Personal Property of Others - Coverage 2 "loss" or damage caused:

1. From your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title or possession of any property.
2. By breakage of glassware, statuary, marble, bric-a-brac, porcelains, and other articles of a fragile or brittle nature. We will cover such "loss" caused by fire; lightning; "aircraft"; explosion; sonic boom; riot; civil commotion; smoke; vehicles; windstorm; hail; vandalism or malicious mischief; falling objects (the exterior of the building must first sustain damage to roof or walls by falling objects); sinkhole collapse; volcanic action; weight of ice, snow, or sleet; sprinkler leakage; or water damage.
3. By rain, snow, or sleet to property in the open.
4. By any legal proceeding.
5. By actual work upon property being altered, repaired, installed, serviced, or faulty materials or workmanship, unless fire ensues, and then only for "loss" through ensuing fire.

6. By delay, loss of use, or loss of market.
7. To property that has been transferred to a person or to a place outside the premises described in the "Declarations" on the basis of unauthorized instructions.
8. By theft of furs and fur garments. We will pay for "loss" of furs and fur garments by "burglary" up to \$10,000 for any one "loss".
9. By theft of gold and other precious metals and alloys. We will pay for theft of any one article of jewelry up to \$500, but our payment will not exceed \$10,000 for any one "loss". Jewelry means jewelry, necklaces, bracelets, gems, precious and semi-precious stones, articles containing one or more gems, and articles made of gold or other precious metals.

## E. Coverage 3

We do not cover under Additional Income Protection - Coverage 3:

1. Increase of loss resulting from ordinance or law regulating construction or repair of buildings.
2. Consequential damages resulting from the breach of contractual obligations.
3. Increase of loss caused by or from delay in rebuilding, repairing, or replacing the property or resuming operations, due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons.
4. Loss due to delay or loss of market.
5. Increase of loss caused by or resulting from the suspension, lapse, or cancellation of any license, lease, or contract. We will pay for loss of "income" and/or "rental income" during the "interruption of business" and during the period of Full Resumption of Operations if the suspension, lapse, or cancellation is caused by the suspension of your business.
6. "Extra expense" caused by the suspension, lapse, or cancellation of any license, lease, or contract beyond the "interruption of business".
7. Increase of loss resulting from ordinance or law regulating the prevention, control, repair, clean-up, or restoration of environmental damage.
8. Income protection specifically insured in whole or in part by this or any other insurance.

## SECTION IV - ADDITIONAL COVERAGES

### A. Collapse

The coverage provided under this **Additional Coverage - Collapse** applies only to an abrupt collapse as described and limited in A.1. through A.7.:

1. For the purpose of this **Additional Coverage - Collapse**, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;

2. We will pay for direct physical "loss" or damage to covered property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Part or that contains Covered Property insured under this Coverage Part, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of construction, remodeling, or renovation; or
- d. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs after the course of the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:
  - 1) A cause of loss listed in 2.a. and 2.b.;
  - 2) Fire; lightning; windstorm; hail; explosion; smoke; "aircraft"; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes; or
- b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities;
- 3) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
- 4) Breakage of building glass;
- 5) Weight of people or personal property; or
- 6) Weight of rain that collects on a roof.
3. This **Additional Coverage - Collapse** does not apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or

- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
- 4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers;
  - b. Awnings, gutters, and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves, and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways, and other paved surfaces;
- if an abrupt collapse is caused by a cause of "loss" listed in **2.a.** through **2.d.**, we will pay for "loss" or damage to that property listed in **4.a.** through **4.i.** only if:
  - a. Such "loss" or damage is a direct result of the abrupt collapse of a building insured under this Coverage Part; and
  - b. The property is Covered Property under this Coverage Part.
- 5. If business personal property and personal property of others falls down or caves in and such collapse is **not** the result of an abrupt collapse of a building, we will pay for "loss" or damage to insured property caused by such collapse of business personal property and personal property of others only if:
  - a. The collapse of business personal property and personal property of others was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The business personal property and personal property of others which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be business personal property or real property.
- The coverage stated in this Paragraph **5.** does not apply to business personal property and personal property of others if marring and/or scratching are the only damage to that business personal property and personal property of others caused by the collapse.
- 6. This **Additional Coverage - Collapse** does not apply to business personal property and personal property of others that has not abruptly fallen down or caved in, even if the business personal property and personal property of others shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

- 7. This **Additional Coverage - Collapse** will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term peril insured against includes the **Additional Coverage - Collapse** as described and limited in **A.1.** through **A.7.**

#### **B. Limited Coverage for "Fungus", Wet Rot, Dry Rot, And Bacteria**

- 1. The coverage described in Paragraphs **2.** and **6.** below only applies when the "fungus", wet or dry rot, or bacteria is the result of a peril insured against, other than fire and lightning, that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- 2. We will pay for loss or damage by "fungus", wet or dry rot, or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot, or bacteria, including the cost of removal of the "fungus", wet or dry rot, or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot, or bacteria; and
  - c. The cost of testing performed before, during, or after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot, or bacteria are present.
- 3. The coverage described in Paragraph **2.** above of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences caused by a peril insured against, other than fire and lightning, which takes place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 even if the "fungus", wet or dry rot, or bacteria continues to be present, active, or recurs, in a later policy period.
- 4. The coverage provided under this Limited Coverage does not increase the applicable Limits of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot, or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limits of Insurance on the affected Covered Property.

If there is a covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot, or bacteria, our loss payment will not be limited by the terms of this Limited Coverage, except to the extent that

"fungus", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Exclusions **B.**
4. Coverages 1, 2, and 3 in Section III - Exclusions or under Section IV - Additional Coverages - A. Collapse.
6. The following Paragraphs **6. a.** or **6. b.** applies only if the "interruption of business" satisfies all terms and conditions of Additional Income Protection - Coverage 3 and Extension of Coverage - Income Protection Coverage.
  - a. If the covered loss which resulted in "fungus", wet or dry rot, or bacteria does not itself necessitate an "interruption of business", but such "interruption of business" is necessary due to loss or damage to covered property caused by "fungus", wet or dry rot, or bacteria, then we will pay the actual loss of "income" and/or "rental income" sustained by you in a period of not more than 30 days. The days need not be consecutive.
  - b. If the "interruption of business" was caused by loss or damage other than "fungus", wet or dry rot, or bacteria but remediation of "fungus", wet or dry rot, or bacteria prolongs the "interruption of business", we will pay the actual loss of "income" and/or "rental income" sustained by you during the delay (regardless of when such a delay occurs during the "interruption of business") in a period of not more than 30 days. The days need not be consecutive.
7. The coverage described under Paragraph **6.** of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss of "income" and/or "rental income" arising out of your "interruption of business" in a 12-month period (starting with the beginning of the present annual policy period). With respects to a particular occurrence of loss which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 for loss of "income" and/or "rental income" even if the "fungus", wet or dry rot, or bacteria continues to be present or active, or recurs in a later policy period resulting in an "interruption of business".
8. This coverage does not apply to lawns, trees, shrubs, or plants which are part of a vegetated roof.

### C. Electronic Data Processing Equipment and Electronic Data Coverage

Payments under this Electronic Data Processing Equipment, Electronic Data Coverage, and Income Protection are an Additional Amount of Insurance and will increase the total amount of insurance available for the coverage involved.

#### 1. Electronic Data Processing Equipment - Computer Virus

We will cover "loss" or damage to "electronic data processing equipment" caused by mechanical breakdown, malfunction, short circuit, blow-out, electrical injury, magnetic injury or disturbance, or computer virus. We will pay up to \$10,000 for any one "loss" to "electronic data processing equipment".

The cause of the electrical damage must occur in the described building on the premises described in the "Declarations" or within 1,500 feet of it. We will not cover "loss" caused by any change in electrical power supply, such as interruption, power surge, or brown-out that originates more than 1,500 feet away from the building containing your "electronic data processing equipment" unless caused by lightning.

We do not cover:

- a. "Electronic data processing equipment" which the insured rents or leases to others while it is away from the premises described in the "Declarations".
- b. "Loss" caused by processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.

"Electronic data processing equipment" means computers, terminals, teleprinters, readers, telephone systems, computerized cash registers, word processing equipment, and equipment and parts related to the processing unit.

"Electronic data processing equipment" does not include computer operated or controlled production or processing machinery or equipment or a separate computer or computerized control panels used to operate the production or processing machinery or equipment.

We will pay for "loss" to "electronic data processing equipment" which is in excess of the deductible amount shown in the "Declarations".

#### 2. Electronic Data - Expenses for Reproduction or Replacement

We will cover the expenses incurred to reproduce or replace your "electronic data" when destruction or corruption is caused by a peril insured against including loss by theft. This includes your "electronic data" that is destroyed or corrupted by mechanical breakdown, malfunction, short circuit, blow-out, electrical injury, magnetic injury or disturbance, or by a virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

Coverage is limited to "electronic data" which is owned by you, or licensed or leased to you, originates and resides in your computers and is used in the e-commerce activity of your business.

This Additional Amount of Insurance does not apply to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.

The business of e-commerce and e-commerce activity means commerce conducted by the Internet or other computer based interactive communication network. This includes business-to-business conducted in that manner.

"Loss" or damage to "electronic data" will be valued at the cost of reproduction or replacement including the cost of data entry, re-programming, and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data".

To the extent that "electronic data" is not reproduced or replaced, the "loss" will be valued at the cost of replacement of the "media" on which "electronic data" was stored, with blank "media" of substantially identical type.

The most we will pay for the expenses incurred in the reproduction or replacement of your "electronic data" is \$25,000.

"Media" means materials on which "electronic data" are recorded, such as magnetic tapes, disc packs, paper tapes, and cards.

We will pay for the expenses incurred in the reproduction or replacement of your "electronic data" which is in excess of the deductible amount shown in the "Declarations".

### 3. Income Protection – Computer Operations

- a. Additional Income Protection – Coverage 3 is extended to cover your loss of "income" you sustain due to partial or total "interruption of business" resulting directly from an interruption in your computer operations due to your "electronic data" being destroyed or corrupted caused by a peril insured against including loss by theft. This includes your loss of "income" resulting from your "electronic data" that is destroyed or corrupted by mechanical breakdown, malfunction, short circuit, blow-out, electrical injury, magnetic injury or disturbance, or by a virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- b. The most we will pay for your loss of "income" due to "interruption of business" resulting from an interruption to your computer operations in

any one policy year, regardless of the number of interruptions or the number of premises, locations, or computer systems involved is \$25,000. If the loss payment relating to the first interruption does not exhaust this amount of insurance, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions during that policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- c. This Income Protection coverage does not apply to loss sustained or expense incurred after the end of the period of restoration even if the \$25,000 amount of insurance has not been exhausted.
- d. Coverage for Income Protection does not apply when "interruption of business" is due to damage or corruption of "electronic data", or any "loss" to "electronic data", except as provided under Paragraphs **a.** through **c.** of this Income Protection - Computer Operations.

No deductible applies to Income Protection – Computer Operations.

### 4. Exclusions – Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations

We do not cover under Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations:

- a. "Media" and "electronic data" which cannot be replaced with the same kind or quality.
- b. Program support documentation such as flow charts, record formats, or narrative descriptions unless they are converted to "electronic data" form and then only in that form.
- c. "Loss" caused by errors or omissions or deficiency in design, specifications, materials, or workmanship, unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- d. "Loss" caused by errors or omissions in programming or processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- e. "Loss" or damage caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code, or similar instruction of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity re-

tained by you, or for you, to inspect, design, install, modify, maintain, repair, or replace that system.

## SECTION V - DEDUCTIBLES

1. Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2 and Extensions of Coverage - We will pay the amount of "loss" to property in any one occurrence which is in excess of the deductible amount shown in the "Declarations", unless otherwise stated in the Extensions of Coverage.
2. Theft - We will pay the amount of "loss" to property caused by theft in any one occurrence which is in excess of the deductible amount applying to Building(s) - Coverage 1 and Business Personal Property and Personal Property of Others - Coverage 2 shown in the "Declarations", unless a separate deductible for theft is shown in the "Declarations".
3. When the occurrence involves "loss" to more than one building (or building and business personal property) and separate limits of insurance apply or blanket limits of insurance apply, the losses will not be combined in determining the application of the deductible. The deductible will be applied only once per occurrence.
4. Additional Income Protection - Coverage 3 and Glass and Lettering - Coverage 4 - No deductible applies.

## SECTION VI - SPECIAL LOSS PAYMENTS - COVERAGE 1

Improvements and Betterments Made by Others is subject to special treatment when damaged by a peril insured against:

1. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.
2. If repaired or replaced at the expense of others, there is no loss payable to you.
3. If the damaged property is not repaired or replaced by you or at the expense of others, there is no loss payable to you.

## SECTION VII - SPECIAL LOSS PAYMENTS - COVERAGE 2

The following property is subject to special treatment when damaged by a peril insured against:

1. Accounting Books, Records, Tapes, and Recording Media. We will pay you the cost of blank items (books, film, tape, or other written documents). Extensions of Coverage - **B.30.** - Valuable Papers and Records provides for reproduction of these items.
2. Improvements and Betterments:
  - a. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.

b. If not repaired or replaced, we will pay you a proportion of your original cost. We will determine the proportionate value as follows:

- 1) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
- 2) Divide the amount determined in 1) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- c. If repaired or replaced at the expense of others, there is no loss payable to you.
3. Sold Property. If you have sold property but not delivered it, we will pay you the net selling price.

## SECTION VIII - EXTENSIONS OF COVERAGE

### A. Extensions of Coverage

We will pay the following "losses" at your option. Payments under these Extensions are not an additional amount of insurance and will not increase the total amount of insurance available for the coverage involved.

1. **Electrical Service Panels.** We will pay for damage to your electrical service panels caused by electricity. This extension of coverage applies to each building described in the "Declarations".
2. **Exterior Signs, Lights, and Clocks.** We will pay up to \$5,000 for "loss" caused by a peril insured against to lights, clocks, and unattached exterior signs which you own, or for which the lease holds you contractually responsible. We will cover all lights, clocks, and unattached exterior signs on the premises described in the "Declarations".

We will not pay for "loss" caused by:

- a. Wear and tear, gradual deterioration, faulty manufacture or installation, inherent vice, extremes of temperature, dampness of atmosphere, or mechanical breakdown;
- b. Damage to electrical apparatus which is part of covered property caused by electricity other than lightning, except for ensuing fire damage; or
- c. Breakage during installation, repairing or dismantling, or breakage during transportation, unless caused by fire, lightning, collision, derailment or overturn of vehicle.

This extension of coverage applies to each building described in the "Declarations".

The deductible for this extension is \$100.

**3. Fences, Walks, and Unattached Outbuildings - Coverage 1.** We will pay up to \$5,000 for any one "loss" caused by a peril insured against to fences, walks, and unattached outbuildings on the premises described in the "Declarations".

Unattached outbuildings include garages, storage areas and tool sheds, but do not include those buildings used for dwelling purposes.

If specific insurance is carried on any item covered by this extension, then this extension does not apply to that item.

This extension of coverage applies to each building described in the "Declarations".

**4. Merchandise in Shipment.** Business Personal Property and Personal Property of Others - Coverage 2 includes protection for "loss" by a peril insured against to merchandise which you have sold but for which you have not received payment, while in the custody of a common carrier. This extension of coverage only applies when the "loss" is not recoverable from the purchaser, transporter, or any other insurance.

**5. Moving Clause – Business Personal Property and Personal Property of Others - Coverage 2.** When you move, coverage for "loss" to business personal property and personal property of others will apply for 60 days while in transit and at each location. The amount of insurance applying at each location will be the proportion that the value in each such location bears to the total value of Business Personal Property and Personal Property of Others - Coverage 2 covered at the original location. After the completion of your move, the coverage will apply at the new location only.

**6. Refrigerated Products.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" to the contents of refrigeration equipment on the insured premises from either power or mechanical failure.

This extension of coverage applies to each building described in the "Declarations".

**7. Replacement Cost Coverage.** After a covered "loss" to your Building(s) – Coverage 1 or Business Personal Property or Personal Property of Others – Coverage 2, you have the option of choosing a replacement cost settlement instead of an actual cash value settlement, thereby eliminating any deduction for depreciation. When you select replacement cost, the Coinsurance Clause (Condition 3.) shall apply as a percentage of the replacement cost rather than the actual cash value of the property.

When adjustment is on a replacement cost basis, we will pay the smallest of the following:

- a. The amount of insurance applicable to the damaged or destroyed property;

- b. The cost of replacement on the same premises with material of like kind and quality and intended for the same use; or
- c. The amount actually spent in repairing or replacing the property.

We will not pay on a replacement cost basis for any "loss" or damage:

- a. Until the lost or damaged property is actually repaired or replaced; or
- b. Unless the repairs or replacement are made as soon as reasonably possible after the "loss" or damage.

We will not pay for "loss" under this Replacement Cost Coverage extension:

- a. Due to any ordinance or law regulating the construction or repair of buildings;
- b. Unless and until the damaged or destroyed property is repaired or replaced as soon as practicable;
- c. To stock (raw, in process, or finished) or merchandise including materials and supplies in connection therewith;
- d. To household furniture or apartment and dwelling contents;
- e. To manuscripts;
- f. To paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, or other articles of art, rarity, or antiquity; or
- g. To obsolete property.

If the cost of repair or replacement is less than \$2,500 for any one "loss" to covered property, we will waive the coinsurance requirement and pay the replacement cost for the "loss" or damaged property. We will not pay for replacement cost for the "loss" or damage to property listed in Paragraphs **a.** through **g.** shown above under this Extension of Coverage - Replacement Cost Coverage.

If you choose an actual cash value settlement, you can still select a replacement cost settlement if the property is repaired or replaced within 6 months of loss. If you choose a replacement cost settlement, the coinsurance requirement applies on a replacement cost basis.

**8. Temperature Change.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" resulting from temperature or humidity change. There must first be damage from a peril insured against to the premises described in the "Declarations". "Loss" resulting from riot and civil commotion is not covered.

This extension of coverage applies to each building described in the "Declarations".

9. **Trees, Shrubs, Lawns, and Plants - Coverages 1 & 2.** We will cover "loss" to trees, shrubs, lawns, and plants (except vegetated roofs) on the premises described in the "Declarations" caused by fire; lightning; explosion; riot or civil commotion; vehicles; "aircraft"; smoke; falling objects; sonic boom; sink-hole collapse; volcanic action; or collapse caused by any of the perils specified in this paragraph.

If trees, shrubs, and plants are inside buildings, on the premises described in the "Declarations" we will also cover "loss" caused by windstorm; hail; weight of snow, ice, or sleet; vandalism or malicious mischief; or temperature change. There must first be damage from a peril insured against to the premises described in the "Declarations".

We will not be liable for more than \$1,000 for any one tree, shrub, or plant, including expenses for removing debris, or \$10,000 for any one "loss", unless trees, shrubs, or plants are held for sale inside buildings, or trees, shrubs, or plants are used for decorative purpose inside the building, in which case the Business Personal Property and Personal Property of Others - Coverage 2 limit applies. We will not be liable for more than \$2,500 for any one "loss" to lawns.

This extension includes expenses for the removal of debris of trees, shrubs, and plants from the premises described in the "Declarations" caused by a peril insured against which are the property of others. If you are a tenant, we will not cover the removal of debris of trees, shrubs, and plants owned by the landlord at the premises described in the "Declarations".

There is no coverage under this policy for trees, shrubs, lawns, and plants grown outside of buildings held for sale.

This extension of coverage applies to each building described in the "Declarations".

10. **Water Damage.** If "loss" or damage caused by or resulting from covered water or other liquid, powder, or molten material damage "loss" occurs, we will pay the cost to tear out and replace any part of the building described in the "Declarations" to repair damage to the system or appliance from which the covered water or other liquids, powder, or molten material escapes.

We will not pay for the cost to repair or replace any defect in the system or appliance that caused the "loss" or damage.

This extension of coverage applies to each building described in the "Declarations".

## B. Extensions of Coverage

Payments under these Extensions of Coverage are an ADDITIONAL AMOUNT of insurance and will increase the total amount of insurance available for the coverage involved.

1. **Accounts Receivable.** This policy covers damage to records of accounts receivable up to \$25,000 for any one "loss" caused by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises or while temporarily within other premises for any purpose except storage. It covers:
  - a. All sums due the insured from customers, provided the insured is unable to collect such sums as the direct result of "loss" to records of accounts receivable;
  - b. Interest charges on any loan to offset impaired collections, pending repayments of such sums made uncollectible by such "loss";
  - c. Collection expense in excess of normal collection cost which is made necessary because of such "loss"; and
  - d. Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such "loss".

Coverage will also apply while the records of accounts receivable are being moved to and while at a place of safety because of imminent danger of "loss", and while being returned from such place.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

2. **Arson Reward.** We will pay up to \$10,000 as a reward to any individual or group for information which results in the arrest and conviction of any person committing an act of arson resulting in damage to covered property.

The deductible does not apply to this extension.

3. **Building Ordinance or Law Coverage.**

### A. Application of Coverage

The building ordinance or law coverage applies to **B. Coverage for the Value of the Undamaged Part of the Building** and **C. Coverage for the Increased Cost of Construction** for any building covered by this policy at the premises described in the "Declarations" only if Paragraphs **A.1.** and **A.2.** below are satisfied and an amount of insurance is shown on the "Declarations" for buildings:

- a. The ordinance or law:
  - 1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
  - 2) Is in force at the time of "loss"; but coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.
- b. The building sustains:
  - 1) Direct physical damage caused by a peril insured against under this policy and such damage results in enforcement of or compliance with the ordinance or law; or
  - 2) Both direct physical damage that is covered under this policy and direct physical damage that is not caused by a peril insured against under this policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law;

but if the building sustains direct physical damage that is not caused by a peril insured against under this policy and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained direct physical damage caused by a peril insured against.

This extension of coverage applies to each building described in the "Declarations".

## **B. Coverage for the Value of the Undamaged Part of the Building**

### **1. Coverage Agreement**

If the building sustains direct damage caused by a peril insured against, we will pay for the value of the undamaged part of the building caused by enforcement of or compliance with any ordinance or law regulating the construction or repair of building(s) that:

- a. Requires the demolition of the undamaged parts of the building;
- b. Regulates the construction or repair of the building, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
- c. Is in force at the time of "loss" or damage.

Coverage for the Value of the Undamaged Part of the Building is not an additional amount of insurance. Payment is included within the amount of insurance for the covered building described in the "Declarations".

### **2. Loss Payment - Value of the Undamaged Part of the Building**

We will pay for the value of the undamaged portion of the building as a result of any ordinance or law regulating the construction, use, or repair of building(s) as follows:

- a. We will pay the smallest of the following if the covered building is not repaired or rebuilt:
  - 1) The actual cash value of the undamaged part of the building;
  - 2) The amount of insurance shown in the "Declarations" for the building described in the "Declarations"; or
  - 3) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.
- b. We will pay the smallest of the following if the covered building is being repaired or replaced on the same premises or another premises:
  - 1) The actual cash value for the undamaged part of the building, if the insured building is covered on an actual cash value basis;
  - 2) The replacement cost for the undamaged part of the building if the insured building is covered on a replacement cost basis;
  - 3) The amount of insurance shown in the "Declarations" for the building described in the "Declarations"; or
  - 4) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

## **C. Coverage for Increased Cost of Construction**

### **1. Coverage Agreement**

If the building sustains direct physical damage caused by a peril insured against, we will pay up to \$25,000 for the increased cost to:

- a. Repair, replace, or construct the damaged portions of the building; or
- b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

caused by enforcement of or compliance with any ordinance or law regulating the construction, use, or repair of buildings. If the building is repaired or replaced, it must be intended for the

same use as the current building, unless otherwise required by an ordinance or law. We will not pay for the increased cost of construction if the building is not repaired, replaced, or remodeled.

When a building described in the "Declarations" is damaged or destroyed and increased cost of construction applies to that building in accordance with **C.1.a.** above, coverage for the increased cost of construction also applies to repairs or reconstruction of the following, subject to the same conditions stated in **C.1. a.:**

- a. The cost of excavation, grading, backfilling, and filling;
- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues, and drains.

## **2. Loss Payment - Increased Cost of Construction**

The most we will pay is \$25,000 for the increased cost of construction that results from any building ordinance or law. Payment for the increased cost of construction is an additional amount of insurance.

## **D. Building Ordinance or Law - No Coverage**

We will not pay for "loss" due to any ordinance or law:

1. You were required to comply with before the "loss", even if the building was undamaged; and
2. You failed to comply with the ordinance or law.

We will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.

Also, we will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

**4. Check, Credit, Debit, or Charge Card Forgery or Alteration.** We will pay up to \$5,000 for any one "loss" resulting directly from:

- a. Forgery or alteration of credit, debit, or charge cards; and
- b. Forgery or alteration of any checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a certain sum in money that are:
  - 1) Made or drawn by or drawn upon you;
  - 2) Made or drawn by one acting as your Agent; or that are purported to have been so made or drawn.

We will not pay for "loss" caused by dishonest or criminal acts committed by you, any of your members of a limited liability company, or any of your employees, directors, trustees, or authorized representatives:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

We will not pay for any "loss" arising from forgery or alteration of a credit, debit, or charge card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

All "losses" committed by any person, whether acting alone or in collusion with others, are considered one occurrence which is subject to the \$5,000 limit.

If you are sued for refusing to pay any covered instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will also pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay is in addition to the amount of insurance applicable to this extension. The deductible does not apply to legal expenses.

You must include with your proof of "loss" any instrument involved in that "loss", or, if that is not possible, an affidavit setting forth the amount and cause of "loss".

**Electrical and Mechanical Signatures.** We will treat signatures that are produced or reproduced electronically, mechanically, or by other means same as handwritten signatures.

"Covered instruments" includes checks, drafts, promissory notes, or similar written promises.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"Occurrence" means for this coverage only, all loss caused by any person or in which that person is in-

volved, whether the loss involves one or more instruments.

This extension applies anywhere in the world.

A \$200 deductible applies to this extension.

5. **Contingent Business Interruption.** We will pay up to \$25,000 for your contingent income meaning loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to building(s) or business personal property of "dependent properties" from a peril insured against.

However, coverage for contingent income does not apply when the only loss to "dependent properties" is "loss" or damage to "electronic data", including destruction or corruption of "electronic data". If the "dependent property" sustains "loss" or damage to "electronic data" and other property, this coverage will not continue once the other property is repaired, rebuilt, or replaced.

We will reduce the amount of your "income" and/or "rental income" loss, other than "extra expense", to the extent you can resume normal operations by using an available:

- a. Source of materials; or
- b. Outlet for your products.

"Dependent property" means premises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services do not include water, communication, power supply, or waste water removal services;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business.

"Dependent properties" do not include roads, bridges, tunnels, waterways, airfields, pipelines, or any other similar areas or structures.

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Interruption of business" for contingent business interruption does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. Regulates the construction, use, or repair, or requires the tearing down, of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The deductible does not apply to this extension.

6. **Counterfeit Money.** We will pay up to \$1,000 per workday for loss from the acceptance in good faith of counterfeit money. "Workday" means a day on which your operations are usually performed.

The deductible for this extension is \$50.

7. **Debris Removal.** We will pay the cost of removal of debris to covered property on the premises described in the "Declarations" caused by a peril insured against. This does not apply to any increase of "loss" resulting from ordinances or laws regulating construction or repair of buildings. We will pay up to 5% of the total limits for Coverages 1 and 2 plus \$25,000 for debris removal expense.

This extension does not cover the costs to:

- a. Remove debris of your property that is not insured under this policy, or property in your care, custody, or control that is not covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you are contractually responsible to insure such property and it is insured under this policy;
- c. Remove any property that is property not covered under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- d. Remove property of others of a type that would not be covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2; or
- e. Extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water.

This extension of coverage applies to each building described in the "Declarations".

8. **Demolition Cost.** This policy covers the cost, not to exceed \$25,000, of demolishing and removing any undamaged portion of the building after a covered "loss". The demolition must be required by enforcement of or compliance with any ordinance or law regulating the construction, use of, or repair of buildings.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

9. **Employee Dishonesty.** We will pay for loss of "money", "securities", and Business Personal Property and Personal Property of Others - Coverage 2 up to \$10,000 per occurrence resulting from dishonest acts committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partner(s)) with the intent to:

- Cause you to sustain loss; and
- Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:
  - Any "employee"; or
  - Any other person or organization.

This extension is subject to the following:

- For any loss, our payment shall not exceed the replacement cost of business personal property and personal property of others at the time of loss, except the cost of "securities" may be determined by the market value at the time of settlement;
- All loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts, is considered one occurrence;
- We will only pay for loss you sustain through acts committed or events occurring during the policy period and if loss is discovered during the policy period or is discovered within one year from the end of the policy period;
- Our payment is not increased regardless of the number of people we protect;
- Regardless of the number of years our policy is in force, the amount of insurance shall not be cumulative from year to year;
- If you sustained a loss during the period of any prior insurance that you could have recovered under your prior insurance, except that the time to discover the loss had expired, we will pay the loss under this Extension of Coverage, provided:
  - This policy became effective at the time of cancellation or termination of your prior insurance; and
  - The loss would have been covered by this insurance had it been in effect when the act or events causing the loss were committed or occurred.

We will pay up to \$10,000 or the amount of insurance under your prior insurance, whichever is less.

The loss under this part **f.** is not an additional amount of insurance and will not increase the total amount of insurance for Employee Dishonesty.

We do not cover:

- Loss caused by any dishonest or criminal act committed by you, or any of your members of a limited liability company, or any of your partners, whether acting alone or in collusion with other persons.
- Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
  - An inventory computation; or
  - A profit and loss computation.
- Loss that is an indirect result of any act or occurrence covered by this policy including, but not limited to, loss caused by:
  - Your inability to realize income that you would have realized had there been no loss of, or loss from damage to covered property;
  - Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising directly from a loss covered by this policy;
  - Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this policy; or
  - Payment of expenses related to any legal action.
- Any "employee" immediately upon discovery by:
  - You; or
  - Any of your partners, officers, directors, or members of a limited liability company not in collusion with the "employee";  
of any dishonest act committed by that "employee" before or after being hired by you.
- Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
- Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account.
- Loss resulting from fraudulent or dishonest signing, issuing, cancelling, or failing to cancel, a warehouse receipt or any papers connected with it.

"Employee" means for this coverage only:

- a. Any natural person:
  - 1) While in your service (and for 30 days after termination of service);
  - 2) Whom you compensate directly by salary, wages, or commissions; and
  - 3) Whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care, custody, and control of property outside the premises described in the "Declarations".
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business.
- d. Any natural person who is a former "employee", director, partner, member of a limited liability company, representative, or trustee retained as a consultant while performing services for you.
- e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care, custody, or control of covered property outside the premises described in the "Declarations".

"Employee" does not mean any:

- a. Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
- b. Manager of a limited liability company, director, or trustee except while performing acts coming within the scope of the usual duties of an "employee".

The deductible for this extension is \$200.

10. **Expenses for Loss Adjustment.** We will pay up to \$5,000 for expenses involved in the preparation of loss data, inventories, and appraisals. This does not include expenses incurred in using a public adjuster.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

11. **Expenses for Security.** We will pay up to \$2,500 for expenses incurred for security after a covered "loss" to protect the covered property from further damage.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

12. **Fine Arts.** We will pay up to \$25,000 for a "loss" caused by a peril insured against to your fine arts on the premises described in the "Declarations". Fine arts mean property that is rare or has historical value, such as paintings, etchings, drawings, rare books, tapestries, or stained glass.

We will not cover fine arts that are on display at fairgrounds or at a national or international exposition.

We do not cover "loss" caused by a process to repair, retouch, restore, adjust, service, or maintain your fine arts. If a fire or explosion results, we do cover the "loss" caused by the fire or explosion.

This extension of coverage applies to each building described in the "Declarations".

13. **Fire Department Service Charges.** We will pay reasonable charges made by a fire department for services rendered as a result of an insured "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

14. **Fire Extinguisher Recharge.** We will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

## 15. **Income Protection Coverage**

### • **Income Protection Coverage**

This extension provides for loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

- a. You rent, lease, or occupy;
- b. All routes within the building that service or are used to gain access to the described premises; and
- c. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

This extension of coverage applies to each building described in the "Declarations".

- **Extra Expense**

"Extra expense" coverage is provided at the premises described in the "Declarations".

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" to property described in the "Declarations" from a peril insured against. "Loss" or damage to property also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay actual and necessary "extra expenses" (other than the expenses to repair or replace property) sustained by you to:

- a. Avoid or minimize the "interruption of business" and to continue your business operations:
  - 1) At the premises described in the "Declarations"; or
  - 2) At replacement premises or at temporary locations, including:
    - a) Relocation expenses; and
    - b) Costs to equip and operate the replacement premises or temporary locations.
- b. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

We will not pay any "loss" or damage to your buildings or business personal property and personal property of others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "electronic data". We will pay the extra cost to repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

- **Additional Coverages**

- a. **Civil Authority**

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil au-

thority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- 1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- 2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- 1) Four consecutive weeks after the date of that action; or
- 2) When your Civil Authority coverage for "income" and/or "rental income" ends;

whichever is later.

- b. **Full Resumption of Operations**

We will also pay your actual loss of "income" and/or "rental income" for an additional 60 days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- 1) The date on which the liability for Income Protection Coverage would terminate if this clause had not been included; or
- 2) The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

- **Amount of Insurance**

If the "loss" to property on the premises described in the "Declarations" results in partial or total suspension of your business, we will pay your actual loss sustained up to \$250 for each workday not to exceed \$25,000 for any one loss.

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments under the following coverages are also subject to the amounts of insurance of \$250 for each workday up to \$25,000 for any one loss and the following coverages will not increase these amounts of insurance under this Extension of Coverage - Income Protection:

- Extra Expense Coverage;
- Civil Authority; or
- Full Resumption of Operations.

- **Exclusions**

We will not cover any loss under this Extension of Coverage caused by the exclusions shown under **Section III - Exclusions**.

- **Deductible**

The deductible does not apply to this extension.

**16. Income Protection - Off-Premises Utility Properties Failure.** We will pay up to \$25,000 for your loss of "income", "rental income", and "extra expense" you sustain due to partial or total "interruption of business" resulting from the interruption of service to the premises described in the "Declarations".

The "interruption of business" must result directly from "loss" to the following property, not on the premises described in the "Declarations" from a peril insured against:

- Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:
  - Communication transmission lines (including fiber optic transmission lines);
  - Coaxial cables; and
  - Microwave radio relay except satellites.
- Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":
  - Utility generating plants;
  - Switching stations;
  - Substations;
  - Transformers; and
  - Transmission lines.

c. Water Supply Property, meaning the following types of property supplying water to the premises described in the "Declarations":

- Pumping stations; and
- Water mains.

d. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations", other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Coverage under this policy does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

We will only pay for loss of "income", "rental income", and "extra expense" sustained by you after the first 24 hours following "loss" to off-premises communication supply property, power supply property, water supply property, or waste water removal property.

Transmission lines include all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

**17. Key Replacement.** If keys to your building(s) are stolen during a theft loss, we will pay, at your request, up to \$5,000 to replace the keys and locks to the doors of your premises.

This extension of coverage applies to each building described in the "Declarations".

**18. Leasehold Interest.** We will pay for leasehold interest you sustain due to the cancellation of your lease resulting directly from "loss" or damage to buildings or business personal property at the premises described in the "Declarations" from a peril insured against.

We will not pay any "loss" you sustain caused by your cancelling the lease.

This extension of coverage applies to each building described in the "Declarations".

Leasehold interest means the following:

a. Tenant's Lease Interest, meaning the difference between the:

- Rent you pay at the premises described in the "Declarations"; and

- 2) Rental value of the premises described in the "Declarations".
- a. Bonus payments, meaning the unamortized portion of the cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:
  - 1) Rent, whether or not prepaid; or
  - 2) Security.
- b. Improvements and Betterments, meaning the unamortized portion of payments made by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance is valid.

Improvements and betterments are fixtures, alterations, installations, or additions:

- 1) Made a part of the building or structure you occupy but do not own; and
- 2) You acquire or made at your expense but cannot legally remove.

- c. Prepaid Rent, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:
  1. The beginning of each month; or
  - 2) Any other rental period.

#### **Amount of Insurance**

We will pay your "net leasehold interest" at the time of loss up to \$15,000 for loss you sustain because of the cancellation of any one lease. This applies to:

- a. Tenant's Lease Interest
  - 1) But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:
    - a) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
    - b) Your "net leasehold interest" at the time of loss.
  - 2) Your "net leasehold interest" decreases automatically each month. The amount of "net leasehold interest" at any time is your "gross leasehold interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any one period of time less than a month.

- b. Bonus Payments, Improvements and Betterments, and Prepaid Rent
  - 1) If your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:
    - a) The loss sustained by you; or
    - b) Your "net leasehold interest" at the time of loss.
  - 2) Your "net leasehold interest" decreases automatically each month. The amount of each decrease is your "monthly leasehold interest". A proportionate share applies for any period of time less than a month.

#### **Definitions**

"Gross leasehold interest" means the difference between the:

- a. Monthly rental value of the premises you lease; and
- b. Actual monthly rent you pay including taxes, insurance, janitorial, or other services that you pay for as part of the rent.

This amount is not changed:

- a. Whether you occupy all or part of the premises; or
- b. If you sublet the premises.

"Monthly leasehold interest" means the monthly portion of covered Bonus Payments, Improvements and Betterments, and Prepaid Rent. To find your "monthly leasehold interest", divide your original costs of Bonus Payments, Improvements and Betterments, and Prepaid Rent by the number of months left in your lease at the time of the expenditure.

"Net Leasehold Interest":

- a. Applicable to Tenant's Lease Interest

"Net leasehold interest" means the present value of your "gross leasehold interest" for each remaining month of the term of the lease at the rate of interest.

The "net leasehold interest" is the amount that, equivalent to your receiving the "gross leasehold interest" for each separate month of the unexpired term of the lease.

- b. Applicable to Bonus Payments, Improvements and Betterments, or Prepaid Rent.

"Net leasehold interest" means your "monthly leasehold interest" times the number of months left in your lease.

19. **Money and Securities.** We will pay up to \$10,000 for any one "loss" caused by a peril insured against to "money" or "securities" while in or on the premises described in the "Declarations" or within a bank or savings institution.

We will pay for "money" and "securities" while being conveyed by the insured or by an authorized employee, up to \$10,000 for any one "loss" caused by a peril insured against.

We will pay up to \$10,000 for "loss" if the "loss" occurs inside the home of the insured or an authorized employee.

This does not include loss caused by unexplained or mysterious disappearance or abstraction.

The deductible for this extension is \$200.

20. **Money and Securities Destruction.** We will pay for "money" and "securities" destruction up to \$10,000 for any one "loss" caused by a peril insured against. "Money" and "securities" destruction means "loss" by destruction of "money" and "securities" within the premises described in the "Declarations".

This does not include loss caused by unexplained or mysterious disappearance or abstraction.

This extension of coverage applies to each building described in the "Declarations".

## 21. Newly Acquired or Constructed Property

a. If this policy covers building(s), you may extend that insurance to apply to 50% of the limit for Buildings(s) - Coverage 1 or \$500,000, whichever is less, on:

- 1) Newly acquired buildings at other than the location(s) described in the "Declarations";
- 2) New additions, new buildings, and new structures when constructed on the insured premises, including materials, equipment, and supplies on or within 1,500 feet of the insured premises;

provided there is no other insurance applicable.

b. If this policy covers your business personal property and personal property of others, you may extend that insurance to apply to 25% of the limit for Business Personal Property and Personal Property of Others - Coverage 2 or \$250,000, whichever is less, on newly acquired business personal property and personal property of others in a newly acquired or leased building other than the location(s) described in the "Declarations";

provided there is no other insurance applicable.

c. In addition to the amount of insurance provided in Extensions of Coverage **B.15.** - Income Protection Coverage, if this policy covers Income Protection, you may extend that insurance to apply up to 25% of the limit for Additional Income

Protection - Coverage 3 or \$250,000, whichever is less, for loss of "income" and/or "rental income" on:

- 1) Newly acquired buildings or business personal property and personal property of others in a newly leased building at other than the location(s) described in the "Declarations"; or
- 2) New additions, new buildings, and new structures when constructed on the described premises, including materials, equipment, and supplies on or within 1,500 feet of the described premises, if "loss" to the new additions, new buildings, and new structures delays the start of your business. The "interruption of business" will start on the day your business would have started if the "loss" had not occurred;

provided there is no other insurance applicable.

This extension shall apply for 90 days after the acquisition or start of construction, provided the policy remains in force or is renewed.

You shall report values involved and pay any additional premium.

This extension does not apply to property while in transit.

22. **Non-Owned Detached Trailers.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover non-owned detached trailers that you do not own, provided that:

- a. The trailer is used in your business;
- b. The trailer is in your care, custody, or control at the insured premises described in the "Declarations"; and
- c. You have a contractual responsibility to pay for "loss" or damage to the trailer.

We will not pay for any "loss" or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- b. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

We will pay up to \$5,000 for any one "loss" caused by a peril insured against to non-owned detached trailers.

This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

This extension of coverage applies to each building described in the "Declarations".

23. **Personal Articles.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees for loss caused by a peril insured against. We will pay up to \$10,000 for any one "loss" at the premises described in the "Declarations".

This extension of coverage applies to each building described in the "Declarations".

24. **Pollutants Clean Up and Removal.** We will cover the cost to extract "pollutants" from land or water on the premises described in the "Declarations" if the release, discharge, or dispersal of "pollutants" is caused by a peril insured against during the policy period. We will pay up to \$25,000 for all "losses" throughout the year. The "loss" must be reported to us within 180 days after the "loss" or the end of the policy period, whichever is the later date.

25. **Private Structures and Rental Value - Dwellings.** You may apply an amount of insurance equal to 10% of the coverage on any insured dwelling to each of the following:

- a. Private structures pertaining to the dwelling; and
- b. Rental value of the dwelling or its private structures. The amount available in any one month cannot exceed 25% of this additional amount of insurance. Damaged property must be repaired as soon as practicable.

Dwelling means a residence for not more than four families. It may contain not more than five roomers or boarders in addition to the four families and it may also contain an incidental commercial occupancy. It may not be used only for commercial or farming purposes.

Incidental commercial occupancy means:

- a. Offices used for business or professional purposes;
- b. Private schools or studios used for music, dance, photography, and other instructional purposes; or
- c. Small service occupancies used for service rather than for sales. Examples are barber or beauty shops, tailors or dressmakers, telephone exchanges, and shoe repair shops using hand work only.

This extension of coverage applies to each building described in the "Declarations".

26. **Property in Danger.** This policy covers up to 45 days for any "loss" to covered property removed from the premises described in the "Declarations" or at a temporary location because of danger of damage by a peril insured against or to repair damage to the covered property.

This extension of coverage applies to each building described in the "Declarations".

27. **Temporarily Off-Premises - Business Personal Property and Personal Property of Others - Coverage 2.** This extension includes coverage for business personal property and personal property of others up to \$25,000 and coverage for salesmen's samples up to \$2,500 for "loss" caused by a peril insured against except while in transit. This extension applies only to business personal property and personal property of others at a location you do not own, lease, or operate and for not more than 60 days.

We will cover business personal property and personal property of others and salesmen's samples at exhibitions or trade shows for not more than 60 days.

This extension shall not apply to property rented to others and property sold on installment or deferred payment plans after delivery to customers.

28. **Transportation - Airborne Property.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on an "aircraft" owned, leased, or operated by or for you or in or on an "aircraft" of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; theft; robbery; or crashing of the "aircraft".

This extension applies anywhere in the world.

29. **Transportation.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on a vehicle owned, leased, or operated by or for you; in or on a vehicle of a common or contract carrier; or on a dock, pier, bulkhead, platform, or station while in the custody of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; collapse of bridge, dock, or culvert; theft; "robbery"; or collision (excluding roadbed collision), upset, or overturn of transporting vehicle.

This extension includes \$1,000 of coverage for tools and equipment.

This extension applies away from the premises described in the "Declarations" but only while in the United States of America, its territories or possessions, Puerto Rico, or Canada.

30. **Valuable Papers and Records.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover the "extra expense" incurred in the reproduction of your valuable papers and records and your interest in the valuable papers of others when destroyed by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises, or temporarily within other premises for any purpose except storage.

Coverage will also apply while your valuable papers and records and your interest in the valuable papers of others are being moved to and while at a place of safety because of imminent danger of "loss" and while being returned from such place.

"Loss" or damage to valuable papers and records will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the valuable papers and records are not restored, the valuable papers and records will be valued at the cost of replacement with blank materials or substantially identical type.

Valuable papers and records means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; or
- c. Records;

including abstracts, books, deeds, drawings, films, maps, or mortgages. But valuable papers and records does not mean "money" or "securities".

This extension is limited to \$25,000 for any one "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

31. **Heating and Air Conditioning Equipment.** Business Personal Property and Personal Property of Others – Coverage 2 is extended to cover heating or air conditioning equipment which is in your care, custody, or control and for which you are contractually responsible. The heating and air conditioning equipment must be permanently attached to the building on the premises described in the "Declarations".

We will pay up to \$20,000 for any one "loss" caused by a peril insured against to heating and air conditioning equipment.

This extension of coverage applies to each building described in the "Declarations".

32. **Laptop Computers Off-Premises.** We will pay up to \$10,000 for laptops, notebooks, and other handheld computers for "loss" caused by a peril insured against while in transit, temporarily at your home, or at a premise you do not own, lease, or occupy. We will only cover laptops, notebooks, and handheld computers while in the United States of America, its territories or possessions, Puerto Rico, or Canada.

## **SECTION IX - WHEN AND WHERE THIS POLICY APPLIES**

### **When**

This policy applies to losses that occur during the policy period. Unless otherwise specified in the "Declarations", "Renewal Certificate", "Amended Declarations", "Revised Declara-

tions", or endorsement, the policy period begins and ends 12:01 AM Standard Time at the stated address of the Named Insured. An "Amended Declarations" or endorsement tells you that the policy has been changed. A "Renewal Certificate" tells you that the policy is being renewed for another policy period.

### **Where**

Property Protection - This policy applies to "loss" of property designated in the specific coverage.

## **SECTION X - COMMERCIAL PROPERTY CONDITIONS**

### **1. ABANDONMENT OF PROPERTY**

We will not accept abandoned property.

### **2. APPRAISAL**

If you and we fail to agree on the amount of "loss", either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers shall then set the amount of "loss". If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of "loss". If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of "loss".

Each party will pay the appraiser it chooses, and equally bear expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay for the reasonable cost of your appraiser and your share of the cost of the umpire.

We will not be held to have waived any rights by any act relating to appraisal.

### **3. COINSURANCE CLAUSE - COVERAGES 1 & 2**

The coinsurance clause applies to each insured item for which a specific amount is shown in the "Declarations". (See percentage shown in the "Declarations").

We will pay that proportion of any "loss" that the amount of insurance bears to the amount produced by multiplying the coinsurance percentage by the actual cash value (ACV) of such property at the time of "loss". We will pay the amount of insurance or the amount determined by coinsurance, whichever is less.

Our Payment = amount of insurance X loss  
amount required

"Amount required" means the coinsurance percentage multiplied by the actual cash value.

If "loss" or damage to your covered property is on a replacement cost basis, "amount required" means the coinsurance percentage multiplied by the replacement cost.

When applying the coinsurance clause, the cost of excavations and earthmoving, the value of parts of structures underground and the Extensions of Coverage are not to be considered.

#### 4. DIVISIBLE CONTRACT

The breach of a policy condition in one building or location will have no effect on the coverage on another where no breach exists.

#### 5. LIMITATION - ELECTRONIC MEDIA AND RECORDS

We will not pay for any loss of "income" and/or "rental income" caused by direct physical damage to electronic media and records after the longer of:

- a. Sixty (60) consecutive days after the date of physical "loss" or damage; or
- b. The period beginning with the date of direct physical "loss" or damage to repair, rebuild, or replace, with reasonable speed and similar quality, other property at the insured premises due to "loss" caused by the same occurrence.

Electronic media and records mean:

- a. Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- b. Data stored on such media; or
- c. Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to "extra expense".

#### 6. LOSS PAYMENT

We will adjust all "losses" with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. We will not pay you more than your financial interest in the covered property.

"Loss" will be payable 30 days after we receive your proof of "loss" if you have complied with all the terms of this coverage part and one of the following has been done:

- a. We have reached an agreement with you;
- b. There is an entry of final judgment; or
- c. There is a filing of an appraisal award on your behalf.

We have the option to:

- a. Pay the value of that part of the damaged property;

- b. Pay the cost to repair or replace that part of the damaged property, but this does not include the increased cost of construction due to enforcement of or compliance with any ordinance or law regulating the construction or repair of the damaged building;
- c. Take all or part of the damaged property at an agreed or appraised value; or
- d. Repair or replace that part of the damaged property with material of like kind and quality, but this does not include the increased cost of construction due to any ordinance or law regulating the construction or repair of the damaged building.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this coverage form or any applicable provision which amends or supersedes the Valuation Condition.

We will not pay more than the amount of insurance shown in the "Declarations" applicable to the damaged or destroyed property.

#### Pennsylvania Only:

We must give the insured notice of our intent to repair or replace within 15 working days after we receive your sworn proof of loss.

#### 7. MORTGAGEE

"Loss" shall be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence.

#### Our Duties

We will:

- a. Protect the mortgagee's interest in an insured building. This protection will not be invalidated by any act or neglect of the insured, any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions.
- b. Give the mortgagee 30 days notice before cancellation or refusal to renew this policy.

#### Mortgagee's Duties

The mortgagee will:

- a. Furnish proof of "loss" within 60 days if you fail to do so;
- b. Pay upon demand any premium due if you fail to do so;
- c. Notify us of any change in ownership or occupancy, or any increase in hazard of which the mortgagee has knowledge;

- d. Give us his or her right of recovery against any party liable for "loss". This shall not impair the right of the mortgagee to recover the full amount of the mortgage debt; and
- e. After a "loss", permit us to satisfy the mortgage requirements, and receive full transfer of the mortgage and all "securities" held as collateral to the mortgage debt.

Policy conditions relating to **APPRaisal, LOSS PAYMENT** and **SUITS AGAINST US** apply to the mortgagee.

This mortgagee interest provision shall apply to any trustee or loss payee named in the "Declarations".

#### **8. NO BENEFIT TO BAILEE**

No bailee shall benefit, directly or indirectly, from this insurance.

#### **9. OTHER INSURANCE**

You may have other insurance subject to the same plan, terms, conditions, and provisions as insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limits of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covered on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the paragraph above, we will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limits of Insurance.

#### **10. PROPERTY OF OTHERS**

If we are called upon to pay a "loss" for property of others, we reserve the right to adjust the "loss" with the owner. If we pay the owner, such payments will satisfy your claims against us for the owner's property.

In case of disagreement with the property owner, we will conduct the defense on your behalf at our expense.

#### **11. PROTECTIVE SAFEGUARDS**

You must maintain, as far as is within your control, any protective safeguards shown in the "Declarations". Failure to do so will suspend the coverage of this policy at the affected location. Coverage will not be suspended if you notify us immediately when the system is not in operation because of repairs or maintenance, and you comply with our requests and directions at that time.

#### **12. RECORDS**

You must keep proper records so that we can accurately determine the amount of "loss".

#### **13. RECOVERIES**

If either you or we recover any property after settlement, that party must notify the other. Expenses of recovery will be deducted from the value of the property. The balance of the proceeds will be divided according to your and our interests.

At your option, the recovered property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay the expenses of the recovery and the expenses to repair the recovered property, up to the Limits of Insurance.

#### **14. RESUMPTION OF YOUR BUSINESS**

We will reduce the amount of your:

- a. Income protection loss, other than "extra expense", to the extent that you can resume your business, in whole or in part, by using damaged or undamaged property (including business personal property) at the premises described in the "Declarations" or elsewhere.
- b. "Extra expense" loss to the extent you can return your business to normal and discontinue such "extra expense".

#### **15. SUITS AGAINST US**

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina - 3 years) after the "loss" occurs.

#### **16. VACANCY AND UNOCCUPANCY**

Property may be unoccupied without limit of time. If the building at which the "loss" occurs is vacant for more than 60 consecutive days before the "loss", then we will:

- a. Not pay for any "loss" caused by:
  - 1) Vandalism or malicious mischief, water damage, glass breakage, or theft; or
  - 2) Sprinkler leakage unless you have exercised reasonable care to protect the system against freezing;
- b. Pay for other covered "losses", but we will reduce the amount of payment by 15%.

For a tenant operated business, the building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

For the owner of the building, the building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- a. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

- b. Used by the building owner to conduct customary operations.

Buildings under construction are not considered vacant or unoccupied.

## 17. VALUATION

We will determine the value of covered property in the event of "loss" as follows:

- a. At actual cash value at the time of the "loss", except as provided elsewhere in this policy;
- b. Stock you have sold but not delivered will be valued at the selling price less any discounts and expenses you otherwise would have had.

## 18. YOUR DUTIES AFTER A LOSS

In case of a covered "loss", you must perform the following duties:

- a. Give us or our Agent immediate notice. If a crime "loss", also notify the police (except Virginia);
- b. Protect the property from further damage. If necessary for property protection, make reasonable repairs and keep a record of all repair costs;
- c. Furnish a complete inventory of damaged property stating its original cost. At our request, furnish a complete inventory of undamaged property stating its original cost. If a "loss" is both less than \$10,000 and less than 5% of the amount of insurance, no special inventory and appraisal of the undamaged property shall be required;
- d. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as we may reasonably require;
- e. Show us or our representative the damaged property, as often as may be reasonably required;
- f. Cooperate with us in our investigation of a "loss" and any suits;
- g. Separately submit to examinations under oath and sign a transcript of the same;
- h. Send us, within 90 days after the "loss", your signed and sworn proof of loss statement which includes:
  - 1) Time and cause of "loss";
  - 2) Your interest in the property and the interest of all others involved;
  - 3) Any encumbrances on the property;
  - 4) Other policies which may cover the "loss";
  - 5) Any changes in title, use, occupancy, or possession of the property which occurred during the policy term;

- 6) When required by us any plans, specifications, and estimates for the repair of the damaged building; and

- 7) The inventory of damaged property as prepared in c. above;

- i. In addition to the other conditions under Additional Income Protection - Coverage 3, make necessary replacements or repairs and use all available means to eliminate any unnecessary delay in order to resume operations as soon as possible;

- j. Agree to help us enforce any right of recovery against any party liable for "loss" under this policy. This will not apply if you have waived recovery rights in writing prior to a "loss".

## SECTION XI - DEFINITIONS

- "Aircraft" means any machine or device capable of atmospheric flight except model airplanes.
- "Automobile" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any attached machinery or equipment), but does not include "mobile equipment".
- "Burglary" means the taking of Business Personal Property and Personal Property of Others - Coverage 2 from inside the premises by a person unlawfully entering or exiting the premises as evidenced by visible marks of forcible entry or exit. It includes "loss" to the building and its equipment resulting from "burglary" or attempted "burglary".
- "Declarations", "Amended Declarations", "Revised Declarations", and "Renewal Certificate" mean the form which shows your coverages, limits of protection, premium charges, and other information. This form is part of your policy.
- "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-Roms, DVD's, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data. This paragraph does not apply to your stock of prepackaged software.
- "Extra expense" means the necessary expenses incurred by you during the "interruption of business" that would not have been incurred if there had been no direct "loss" to covered property caused by a peril insured against.

- "Fungus" means any type or form of "fungus", including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by "fungi".
- "Income" means the sum of net income (net profit or loss before income taxes) that would have been earned or incurred and necessary continuing operating expenses incurred by the business such as payroll expenses, taxes, interests, and rents. For manufacturing risks, "income" includes the net sales value of production.
- "Interruption of business" means the period of time that your business is partially or totally suspended and it:
  1. Begins with the date of direct "loss" to covered property caused by a peril insured against; and
  2. Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- "Loss" means direct and accidental loss of or damage to covered property.
- "Mobile equipment" means any of the following types of land vehicles (including any attached machinery or equipment):
  1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers, or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers;
  5. Vehicles not described in **1., 2., 3., or 4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers;
  6. Vehicles not described in **1., 2., 3., or 4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but are considered "automobiles".
- "Equipment designed primarily for:
  - 1) Snow removal;
  - 2) Road maintenance, but not construction or resurfacing;
  - 3) Street cleaning;
- "Cherry pickers and similar devices mounted on an "automobile" or truck chassis and used to raise or lower workers; and
- "Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.
- "Money" means:
  1. Currency, coins, and bank notes in current use and having a face value; and
  2. Travelers checks, register checks, credit card slips, and money orders held for sale.
- "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
- "Rental income" means:
  1. The rents from the tenant occupancy of the premises described in the "Declarations";
  2. Continuing operating expenses incurred by the business such as:
    - a. Payroll; and
    - b. All expenses for which the tenant is legally responsible and for which you would otherwise be responsible.
  3. Rental value of the property described in the "Declarations" and occupied by you;
  4. Incidental income received from coin-operated laundries, hall rentals, or other facilities on the premises described in the "Declarations".
- "Robbery" means the taking of Business Personal Property and Personal Property of Others - Coverage 2 from the care, custody, and control of a person by one who has:
  1. Caused or threatened to cause that person bodily harm; or
  2. Committed an obviously unlawful act witnessed by that person.
- "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

1. Tokens, tickets including lottery tickets, food stamps, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidences of debt issued in connection with credit or charge cards not issued by you;

"Securities" does not include "money".

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART(S)

FIVESTAR CONTRACTORS' COMMERCIAL PROPERTY COVERAGE PART

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

ULTRAPACK COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR PROPERTY OWNERS' COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR LANDLORDS POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Reaction or Radiation Exclusion or the War Exclusion.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**AGREED AMOUNT CLAUSE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

**Paragraph 3. Coinsurance Clause - Coverages 1 & 2 of Section X - Commercial Property Conditions** is deleted only for covered property insured on an agreed amount basis.



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## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MECHANICAL AND ELECTRICAL BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

**A.** The following is added to **Section II - Perils Insured Against - Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2, and Additional Income Protection - Coverage 3:**

We will cover direct physical damage to covered property for "loss" caused by "mechanical, electrical or pressure systems breakdown" on the premises described in the "Declarations".

**B.** The following Paragraphs **B.1.k., B.1.l., B.8., B.9., and B.10.** in **Section III - Exclusions** are deleted.

**C.** Paragraph **A.11.** in **Section III - Exclusions** is replaced by the following:

We do not cover "loss" by the failure of power or other utility service supplied to the insured premises, however caused, if the failure occurs away from the insured premises, except as provided in Extensions of Coverage - **A.6.** and **A.8.**, unless a covered "loss" ensues, and then only for ensuing "loss". However, we will pay for "loss" resulting from "mechanical, electrical, or pressure systems breakdown" to any transformer, electrical apparatus, or any "covered equipment" that is:

1. Located on or within 1,500 feet of the insured premises;
2. Owned by the building owner at your premises, or owned by a public utility company; and
3. Used to supply telephone, electricity, air conditioning, heating, gas, water or steam to the insured premises.

With respect to this coverage, we will not pay for a "mechanical, electrical or pressure system breakdown" caused by or resulting from fire; lightning; windstorm or hail; explosion (except as specifically provided in item 3. of the "mechanical, electrical or pressure systems breakdown" definition); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

**D.** The following is added to **Section III - Exclusions:**

We will not pay for "loss", damage or expense caused by or resulting from:

1. Any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" or "media" of any kind. But if a "mechanical, electrical or pressure systems breakdown" results, we will pay for the resulting "loss", damage or expense;
2. Any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

**E.** The following are added to Paragraph **A.** in **Section VIII - Extensions of Coverage:**

### Expediting Expenses

With respect to your damaged covered property resulting from "mechanical, electrical or pressure systems breakdown", we will pay up to \$25,000 for the reasonable extra cost to:

1. Make temporary repairs; and
2. Expedite permanent repairs or permanent replacement.

### Hazardous Substances

We will pay for the additional cost to repair or replace covered property because of contamination by a "hazardous substance" resulting from "mechanical, electrical or pressure systems breakdown". This includes the additional expenses to clean up or dispose of such property.

As used in this coverage, additional costs mean those beyond what would have been payable under this Mechanical and Electrical Equipment Breakdown Coverage had no "hazardous substance" been involved.

We will pay up to \$25,000 for "loss", damage or expense under this coverage, including actual loss of "income" you sustain and necessary extra expense you incur.

**F. The following is added to Paragraph B. in Section VIII - Extensions of Coverage:**

**Ammonia Contamination**

If covered property is contaminated by ammonia as a result of "mechanical, electrical or pressure systems breakdown", we will pay up to \$25,000 including salvage expense for any one "loss".

**G. The following are added to Section X - Commercial Property Conditions:**

**Suspension**

Whenever "covered equipment" is found to be in or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against "loss" from a "mechanical, electrical, or pressure systems breakdown" to that "covered equipment". Coverage can be suspended by delivering or mailing a written notice of suspension to:

1. Your last known address,
2. The address where the object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

**Jurisdictional Inspection**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to a "mechanical, electrical, or pressure systems breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind or quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

**H. The following are added to Section XI - Definitions:**

"Covered equipment" means covered property:

1. That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

2. Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

None of the following is "covered equipment":

1. Insulating or refractory material;
2. Buried vessel or piping;
3. Sewer piping, piping forming a part of a fire protection system or water piping other than:
  - a. Feed water piping between any boiler and its feed pump or injector;
  - b. Boiler condensate return piping;
  - c. Water piping forming a part of refrigerating and air conditioning systems; or
  - d. Vessels and piping used for cooling, humidifying or space heating purposes.
4. Structure, foundation, cabinet, compartment containing the object or air supported structure or building;
5. Dragline, excavation, or construction equipment;

6. "Vehicle" or any equipment mounted on a "vehicle". "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor, or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle", or

7. Equipment manufactured by you for sale.

"Hazardous substance" means any substance other than ammonia that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

"Mechanical, electrical or pressure systems breakdown" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliance or wires;
3. Explosion of steam boiler, steam piping, steam engines or steam turbines owned or leased by you or operated under your control;
4. "Loss" or damage to steam boiler, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
5. "Loss" or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If covered electrical equipment requires drying out as a result of flood, we will pay for the direct expenses of such drying out.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

### **ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART**

**A. The following is added to Section V - Deductibles:**

We will pay the amount of "loss" to "production or process machinery" caused by "mechanical, electrical, or pressure systems breakdown" in any one occurrence which is in excess of:

1. \$1,000;
2. The deductible amount shown in the "Declarations"; or
3. The deductible amount applying to Building(s) – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2;

whichever amount is greater.

For Additional Income Protection Coverage – Coverage 3, if the loss to "production or process machinery" is caused by "mechanical, electrical, or pressure systems breakdown", we will pay the amount of "income" and/or "rental income" loss which is in excess of one day multiplied by the "average daily value".

Should the policy deductible apply to the same "loss", only the deductibles for "production or process machinery" plus income protection or the policy deductible, whichever is the greater amount, shall be used.

**B. The following definitions are added to Section XI - Definitions:**

"Average daily value" means the loss of "income" and/or "rental income" for that location that you would have earned had no "mechanical, electrical, or pressure systems breakdown" occurred during the "interruption of business" divided by the number of days in that period.

We will make no reduction for loss of "income" and/or "rental income" not being earned, or the number of working days, because the "mechanical, electrical, or pressure systems breakdown" occurred, or any other scheduled or unscheduled shutdowns during the "interruption of business". If the Business Income and Extra Expense dollar deductible is expressed as a number times the "average daily value", that amount will be calculated as follows:

The "average daily value" will be the "income" and/or "rental income" for the entire location that would have been earned had no "mechanical, electrical, or pressure systems breakdown" occurred during the period of "interruption of business" divided by the number of working days in that period. No reduction shall be made for the "income" and/or "rental income" not being earned or in the number of working days, because of the "mechanical, electrical, or pressure systems breakdown" or any other scheduled or unscheduled shutdowns during the period of interruption. The "average daily value" applies to all locations included in the valuation of the loss.

The number indicated in the "Declarations" will be multiplied by the "average daily value" as determined above. The result will be used for the Business Income and Extra Expense dollar deductible.

**Example**

Business is interrupted partially or completely for 10 days. If there had been no "mechanical, electrical, or pressure systems breakdown", the total location income for those 10 days would have been \$5,000. The Income Protection Deductible is 3 times the "average daily value".

\$5,000 divided by 10 = \$500 "average daily value".

3 times \$500 = \$1,500 Loss of Income Protection Deductible.

"Production or process machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.



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## LIMITED EMPLOYERS LIABILITY COVERAGE FORM

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** - Definitions.

### SECTION I - LIMITED EMPLOYERS LIABILITY COVERAGE

#### 1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" sustained by your employee arising out of or in the course of employment by you. We will have the right and duty to defend the insured against any "suit" seeking such damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence or injury and settle any claim or "suit" that may result. But:

- The amount we will pay for damages is limited as described in Section **III.**, **Limits of Insurance - Limited Employers Liability Coverage**; and
- Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

Coverage applies only to "bodily injury" to your lawful employee. The "bodily injury":

- Must arise out of employment by you;
- Must occur from employment that is necessary or incidental to your work in the state of Ohio;
- Must occur during the policy period;
- Must occur in Ohio unless the employee is a citizen or resident of the United States of America or Canada and is temporarily outside Ohio in connection with your business; but this insurance does not apply to any "suit" brought in or any judgment rendered by any court outside the United States of America, its territories or possessions, or to an action on such judgment wherever brought.

Damages because of "bodily injury" include losses:

- For which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover damages claimed against the third party as a result of injury to your employee;
- For care and loss of service;
- For consequential "bodily injury" sustained by a spouse, child, or dependent of an employee of yours as a consequence of "bodily injury" to the employee arising out of employment by you;
- For "bodily injury" to your employee arising out of employment by you and claimed against you in a capacity other than an employer.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected or Intended Injury

"Bodily injury" to an employee intentionally caused or aggravated by or at the direction of the insured with the intent to injure another.

This exclusion does not apply to "bodily injury" intentionally caused or aggravated by the insured with the belief that harm is substantially certain to occur and where legal liability is proven by all three of the following facts:

- An insured knows of the existence of a dangerous process, procedure, instrumentality or condition within its business operation;
- An insured knows that if employees are required by their employment to be subject to such dangerous process, procedure, instrumentality or condition, then harm to them will be a substantial certainty;
- An insured, under such circumstances and with such knowledge, acts to require the employee to continue to perform employment tasks.

##### b. Penal Suits

Any claim against the insured or liability of the insured with respect to which the insured forfeited or is deprived of any common law defenses for failure to comply with Ohio Workers' Compensation laws or is otherwise subject to penalty because of default in premium payments or other failure to comply with the provisions of Ohio Workers' Compensation laws.

##### c. Derivative and Other Claims

Any claim against the insured or liability of the insured for damages because of "bodily injury" to any employee sustained in the course of employ-

ment, including but not limited to, all derivative and other claims of any family member, dependents or personal representatives, where the insured's liability arises out of the failure to subscribe to or pay premiums to the workers' compensation fund or arises out of the failure to comply with other provisions of Ohio Workers' Compensation laws.

**d. Punitive Damages**

Punitive or exemplary damages.

**e. Violation of Law**

- 1) "Bodily injury" to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
- 2) Damages arising out of the discharge of, coercion of, or discrimination against any employee in violation of law.

**f. Contractual Liability**

"Bodily injury" to an employee for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to "bodily injury" to leased employees assumed in a contract or agreement.

**g. Bodily Injury by Disease**

Bodily injury by disease, unless prior to thirty-six months after the end of the policy period, a written claim is made or "suit" is brought against the insured for damages because of such injury or death resulting therefrom.

**h. Workers Compensation**

Any obligation for which the insured or any insurer may become liable under any workers' compensation, unemployment compensation, disability benefits law or similar law.

**i. Employment-Related Practices**

"Bodily injury" to:

- 1) An employee arising out of any:
  - a) Refusal to employ that employee;
  - b) Termination of that employee's employment; or
  - c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that employee; or
- 2) The spouse, child, parent, brother or sister of that employee as a consequence of "bodily injury" to that employee at whom any of the employment-related practices described in Paragraphs a), b), and c) is directed.

This exclusion applies:

- 1) Whether the insured may be liable as an employer or in any other capacity; and
- 2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**SUPPLEMENTARY PAYMENTS**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses for lodging and meals incurred by the insured for deposition appearances and court proceedings. (at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.)
  - e. All court costs assessed against the insured in the "suit".
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

**SECTION II - WHO IS AN INSURED**

If you are designated in the Declarations as:

1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business.
4. An organization other than a partnership, joint venture, or limited liability company, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations for this coverage and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".

#### 2. Bodily Injury By Accident Limit

The Bodily Injury By Accident - Each Accident Limit is the most we will pay for all damages because of "bodily injury" sustained by one or more employees in any one accident.

#### 3. Bodily Injury By Accident - Aggregate Limit

The Bodily Injury By Accident - Aggregate Limit is the most we will pay for under Limited Employers Liability Coverage for "bodily injury" by accident.

The Limits of Insurance of this coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV - LIMITED EMPLOYERS LIABILITY COVERAGE FORM - CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage.

#### 2. Duties In The Event Of Occurrence, Injury, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an occurrence or injury which may result in a claim. To the extent possible, notice should include:
  - 1) How, when and where the occurrence or injury took place;
  - 2) The names and addresses of any injured persons and witnesses; and
  - 3) The nature and location of any injury or damage arising out of the occurrence.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - 1) Immediately record the specifics of the claim or "suit" and the date received; and
  - 2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:
  - 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- 2) Authorize us to obtain records and other information;
- 3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### 3. Legal Action Against Us

No person or organization has a right under this coverage:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this coverage unless all of its items have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured but we will not be liable for damages that are not payable under the terms of this coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this coverage, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.

##### b. Method Of Sharing

If all of the insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this coverage in accordance with our rules and rates.
- b. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## **6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this coverage to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this coverage, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request,

the insured will bring "suit" or transfer those rights to us and help us enforce them.

## **9. When We Do Not Renew**

If we decide not to renew this coverage, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## **SECTION V - DEFINITIONS**

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
2. "Suit" means a civil proceeding in which damages because of "bodily injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOSPITALITY ERIEPLACEABLE ENHANCEMENTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

### COMMERCIAL PROPERTY COVERAGE PART

- A. The amount of insurance under **Building Ordinance or Law Coverage - Increased Cost of Construction of Section VIII- Extensions of Coverage** is increased from \$25,000 to \$100,000 for any one "loss".
- B. The amount of insurance under **Check, Credit, Debit, or Charge Card Forgery or Alteration of Section VIII - Extensions of Coverage** is increased from \$5,000 to \$15,000 for any one "loss".
- C. The amount of insurance under **Counterfeit Money of Section VIII - Extensions of Coverage** is increased from \$1,000 to \$11,000 for any one "loss".
- D. The amount of insurance under **Employee Dishonesty of Section VIII - Extensions of Coverage** is increased from \$10,000 to \$25,000 for any one "loss".
- E. The amount of insurance under **Income Protection – Off Premises Utility Properties Failure of Section VIII - Extensions of Coverage** is increased from \$25,000 to \$50,000 for any one "loss".
- F. We will pay up to \$250,000 as a Blanket Coverage Amount of Insurance which applies to the following coverages:
  1. Accounts Receivable;
  2. Business Personal Property and Personal Property of Others - Temporarily Off Premises;
  3. Debris Removal;
  4. Electronic Data Processing Equipment - Mechanical and Electrical Breakdown;
  5. Electronic Data – Expenses for Reproduction or Replacement;
  6. Fine Arts;
  7. Transportation; and
  8. Valuable Papers and Records.

This blanket amount of insurance may be applied to any one coverage or combination of coverages shown above. However, the most we will pay for "loss" or damage re-

sulting from any one occurrence at any premises described in the "Declarations" is \$250,000. The blanket amount of insurance applies separately to each premises described in the "Declarations".

The blanket amount of insurance is in addition to the amount of insurance provided for these coverages in **Section IV – Additional Coverages** and **Section VIII - Extensions of Coverage**.

- G. The following are added to **Section I - Coverages** in the Commercial Property Coverage Part:

#### 1. Contract Penalty Coverage

We will pay up to \$5,000 for contractual penalties that you are required to pay your customers. These contractual penalties must be a result of any clause in your contracts for failure to timely deliver your products according to the contract terms. These contractual penalties must result from "loss" or damage to your covered property by a peril insured against.

#### 2. Cooking Protection Equipment Accidental Leakage - Coverage

##### a. Insuring Agreement

We will pay for "loss" caused by cooking protection equipment leakage. Cooking protection equipment leakage means "loss" caused by accidental leakage or discharge of an Automatic Cooking Protection System protecting cooking equipment or the cooking exhaust system.

Automatic Cooking Protection System means any automatic fire extinguishing system including sprinklers, discharge nozzles and ducts, pipes, valves, fittings, tanks, pumps and private fire protection mains, all connected with and forming a part of the system designed and installed for protecting only cooking equipment and cooking exhaust systems.

##### b. Section III - Exclusions is replaced by the following but only for this coverage:

We do not cover for "loss" by leakage or by collapse or fall of a tank caused by:

- 1) Fire;
- 2) Lightning;
- 3) Windstorm;
- 4) Earthquake;
- 5) Blasting;
- 6) Explosion;
- 7) Rupture or bursting of steam boilers or fly-wheels;
- 8) Riot or civil commotion;
- 9) Water, except water from within an automatic sprinkler system; or
- 10) Order of any civil authority.

We also do not cover leakage "loss":

- 1) Occurring and resulting from the making of repairs, alterations, or extensions involving a wall or support(s) of a floor or roof, or the installation of or change in an Automatic Cooking Protection System at the premises described in the "Declarations" or testing of such system(s); or
- 2) While a building at the premises described in the "Declarations" is vacant for more than 60 consecutive days.

### **3. Coverage – Contamination of Perishable Goods From Refrigerants**

We will pay up to \$25,000 for a "loss" to perishable goods caused by contamination resulting from the release of refrigerants, including ammonia.

### **4. Coverage - Extra Expenses**

The following is added to **Extra Expenses of Income Protection of Section VIII - Extensions of Coverage:**

The \$25,000 amount of insurance for which we will pay under **Extensions of Coverage - Income Protection** is increased by \$25,000 for Extra Expenses only.

The maximum amount of insurance for which we will pay for any one loss for extra expenses is \$50,000.

### **5. Merchandise – Deferred Payment**

Business Personal Property and Personal Property of Others (Coverage 2) includes protection for "loss" by a peril insured against to merchandise which you have sold under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

We will pay up to \$5,000 for "loss" or damage to merchandise which you have sold under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

When a total loss to covered property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When partial loss to covered property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- a. If the realized value of the repossessed property is greater than or equal to the amount shown on your books, as due from the buyer, we will make no payment; but
- b. If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.

When a total or partial loss occurs and the buyer continues to pay you, we will make no loss payment.

### **6. Outdoor Radio, Television Antennas, and Satellite Dishes**

We will pay up to \$2,500 for "loss" or damage to outdoor radio and television antennas, satellite dishes, and their lead-in wiring, masts, or towers caused by windstorm or hail at the premises described in the "Declarations".

### **7. Peak Season - Business Personal Property and Personal Property of Others – Coverage**

The amount of insurance for Business Personal Property and Personal Property of Others - Coverage 2 is increased by 25% of the limit for Business Personal Property and Personal Property of Others - Coverage 2 to cover "loss" to Business Personal Property and Personal Property of Others during a peak season.

### **8. Sewer And Drain Back-Up - Coverage**

We will pay up to \$5,000 for any one "loss" to covered property caused by water or sewage that backs up through sewers and drains, or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation area.

Paragraph **A.6.c. of Section III - Exclusions** is deleted.

**Deductible** We will pay the amount of "loss" to your covered property in any one occurrence which is in excess of \$500 for this coverage.

### **9. Utility Services - Direct Damage - Coverage**

We will pay up to \$25,000 for "loss" or damage to covered property on the premises described on the

"Declarations" that you sustain due to an interruption in utility service to the premises described in the "Declarations".

The interruption in utility services must result directly from "loss" to the following property, not on the premises described in the "Declarations", from a peril insured against:

- a. Communication Supply Property, meaning property communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:
  - 1) Communication transmission lines (including fiber optic transmissions lines);
  - 2) Coaxial cables; and
  - 3) Microwave radio relay except satellites.
- b. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":
  - 1) Utility generating plants;
  - 2) Switching stations;
  - 3) Substations;
  - 4) Transformers; and
  - 5) Transmission lines.
- c. Water Supply Property, meaning the following types of property supplying water to the described premises:
  - 1) Pumping stations; and
  - 2) Water mains.
- a. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations" other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Transmission lines include all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

We will not pay for "loss" or damage to "electronic data" including destruction or corruption of "electronic data".

## **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following is added to Paragraph 1. **Insuring Agreement Coverage A - Bodily Injury And Property Damage Liability** in the Commercial General Liability Coverage Part:

### **Liability For Property Of Guests**

#### **1. Insuring Agreement**

We will pay those sums that the insured pays for as damages because of unintentional damage to personal property of guests on your premises. The loss must occur while such personal property is within your possession or within the premises described in the "Declarations".

Premises mean that portion of the building, at the described location, occupied by the insured conducting the business of an innkeeper.

2. The following is added to Paragraph 2. **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability**:

We do not cover damages to personal property of guests on your premises caused by:

- a. Liability assumed by the insured under any contract or agreement, except a written agreement with a guest before the "occurrence" of a loss. The written agreement may increase the statutory liability of the insured to an amount not exceeding \$1,000.
- b. When the insured has released any other person or organization from legal liability.
- c. Property in the custody or possession of the insured for laundering or cleaning.
- d. Articles carried or held by a guest as samples or for sale or for delivery after sale.

3. **Section III - Limits of Insurance** is replaced by the following:

Our duty to pay the sums for which the law holds the insured responsible is subject to the limits shown in the Declarations.

We will pay up to \$500 per guest for damages to property of guests. \$10,000 is the total limit of protection for all damages as a result of one or more "occurrences" which take(s) place during the policy period.

Twenty-five dollars will be deducted from the amount of each loss to each guest.

**New York Only:**

A twenty-five dollars deductible applies to each loss to each guest. We will pay this deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for the deductible amount as has been paid by us.

4. The following is added to **Section IV - Commercial General Liability Conditions:**

**Safe Or Vault**

A safe or vault must be maintained in a convenient place on the premises for the safekeeping of certain valuables of guests. Notices must be posted as provided by law.

- B. Paragraph 7. under Section III - Limits of Insurance of the Commercial General Liability Coverage Part is replaced by the following:**

7. Subject to **5.** above, the Medical Expense Limit is increased from \$5,000 to \$10,000. This limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – GRANTOR OF FRANCHISE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as grantor of a franchise to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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COMMERCIAL GENERAL LIABILITY  
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NON-OWNED AUTOS AND/OR HIRED AUTO LIABILITY INSURANCE COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. With respect to Non-owned Auto Liability Insurance Coverage, the following is added to Paragraph 1., Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

#### **1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident covered by this endorsement.

The accident must arise out of the use of any "non-owned auto" in your business by any person other than you.

This coverage applies only if a premium and limits of insurance are shown in the Declarations for Non-owned Auto Liability Insurance Coverage.

b. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" is caused by an accident that takes place in the "covered territory"; and
2. The "bodily injury" or "property damage" is caused by an accident during the policy period.

**B. With respect to Hired Auto Liability Insurance Coverage, the following is added to Paragraph 1., Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

#### **1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident covered by this endorsement.

The accident must arise out of the maintenance or use of "hired autos" by you or your "employees" in the course of your business.

This coverage applies only if limits of insurance are shown in the Declarations for Hired Auto Liability Insurance Coverage.

b. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" is caused by an accident that takes place in the "covered territory"; and
2. The "bodily injury" or "property damage" is caused by an accident during the policy period.

**C. With respect to coverage provided by this endorsement, Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability are deleted and replaced by the following:**

#### **1. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- a. That the insured would have in the absence of the contract or agreement; or
- b. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - 1) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
  - 2) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

## 2. Damage To Your Product

"Bodily injury" or "property damage" that results from "your product" arising out of it or any part of it.

## 3. Damage To Property

"Property damage" to:

- a. Property owned or transported by you.
- b. Personal property in the care, custody or control of the insured.

## 4. Damage To Your Work

"Bodily injury" or "property damage" that results from "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

## 5. Employers' Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
  - 1) Employment by the insured; or
  - 2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

## 6. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

## 7. Handling of Property

"Bodily injury" or "property damage" that results from the handling of property:

- a. Before it is moved from the place where it is accepted by the insured for loading into or onto a "non-owned auto" or "hired auto"; or
- b. After it is unloaded from a "non-owned auto" or "hired auto" to the place it is finally delivered by the insured.

## 8. Fellow Employee

"Bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

## 9. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- a. The ownership, maintenance, use or entrustment to others of any "mobile equipment" owned or operated by or rented or loaned to any insured.
- b. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- c. The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

## 10. Pollution

a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

- 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- a) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
- b) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- 4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such

operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- a) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.
- b) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

5) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

b. Any loss, cost or expense arising out of any:

- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants", or
- 2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such

claim or "suit" by or on behalf of a governmental authority.

#### 11. Racing

Any "auto" while being used in any prearranged or organized racing, speed or demolition contest, stunting activity or similar activities, or in practice for any such activities.

#### 12. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### 13. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**D.** With respect to coverage provided by this endorsement, **Section II - Who Is An Insured** is replaced by the following:

1. You;
2. Any other person using a "hired auto" with your permission;
3. With respect to a "non-owned auto", any partner, member of a limited liability company, or executive officer, but only while such "auto" is being used in your business;
4. Any other person or organization, but only with respect to liability because of acts or omissions of the insured under 1., 2., or 3. above.

The following are not included under **Section II - Who Is An Insured**:

1. Any person, member of a limited liability company, or executive officer with respect to an "auto" owned by such partner, member of a limited liability company, or executive officer or a member of their household;
2. Any person engaged in the business of their employer, with respect to "bodily injury" to any fellow co-"employee" of such person injured in the cause of their employment.
3. Any person while employed in or otherwise engaged in duties in connection with an "auto business" other than an "auto business" you operate;
4. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or employer of such owner or lessee;
5. Any person or organization with respect to the conduct of any current or past partnership, joint venture, or limited liability company shown as a named Insured in the Declarations.

**E.** With respect to coverage provided by this endorsement, **Section III - Limits of Insurance** is deleted and replaced by the following:

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought; or
3. Person or organizations making claims or bringing "suits".

The Per Person Limit for Bodily Injury Liability is the most we will pay for damages arising out of and derived from "bodily injury" to one person in any one accident.

The Per Accident Limit for Bodily Injury Liability is the most we will pay for damages arising out of and derived from "bodily injury" to all persons resulting from one accident, subject to the Per Person Limit.

The Per Accident Limit for Property Damage Liability is the most we will pay for all "property damage" caused by any one accident.

**F.** With respect to coverage provided by this endorsement, the following is added to **Section V - Definitions:**

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

"Covered territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

"Hired auto" means any auto you lease, hire, or borrow.

This does not include any "auto" you lease, hire, or borrow from any of your "employees", any members of a limited liability company, any partner, "executive officer" or members of their households.

"Non-owned auto" means any "auto" you do not own, lease, hire, or borrow which is used in connection with your business. This includes any "auto" owned by or registered in the name of:

1. Your employees including members of their households;
2. Partners including members of their households if you are a partnership; or
3. Members of a limited liability company including members of their households;

but only while such "auto" is being used in connection with your business.

ERIE INSURANCE  
COMMERCIAL GENERAL LIABILITY  
UF-B785 (Ed. 9/14)

## IMPORTANT NOTICE TO POLICYHOLDERS – COMMERCIAL GENERAL LIABILITY PROGRAM

**This Notice describes changes that apply to renewal policies. If your policy is new, the policy provisions described in this Notice are part of your policy.**

This Notice is a basic description of significant changes in terms, coverages, and exclusions that will be effective upon renewal of your Commercial General Liability Policy. Some of the changes described below will result in the reduction of coverage or the addition of an exclusion of coverage in your policy. Other changes may clarify or have no impact on coverage. This Notice does not reference every editorial change made in your policy.

This Notice provides a listing of form and endorsement changes that have been made to the Commercial General Liability Program. These program changes apply to new and renewal policies. If a form or endorsement described below is applicable to your policy, it will appear on the Declarations under the Schedule of Forms.

This Notice is not an insurance policy or contract. All coverages are subject to the specific terms, conditions, limits, and exclusions contained in your renewal policy and all applicable endorsements. PLEASE READ YOUR RENEWAL POLICY AND ENDORSEMENTS CAREFULLY for details regarding coverage including the limitation of coverage. In the case of any conflict between this Notice and the policy including endorsements, the policy language is controlling. Your payment of the renewal premium for this policy acknowledges your understanding and acceptance of the changes outlined in this Notice. If you have any questions concerning this Notice or your renewal policy and endorsements, please contact your ERIE Agent.

**CG 21 06 (Ed. 5/14) Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability – With Limited Bodily Injury Exception.** Modifies insurance provided under the Commercial General Liability Coverage Part. This endorsement is added to all policies and will be listed on your Declarations under the Schedule of Forms.

### Reduction in Coverage

This Endorsement excludes coverage under Coverage B - Personal and Advertising Injury arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit information, health information, or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relation expenses, or any other loss, cost, or expense incurred by the named insured or others with respect to that which is subject to the exclusion.

Under Coverage A – Bodily Injury and Property Damage Liability, the existing Electronic Data exclusion is replaced with the new Access or Disclosure of Confidential or Personal Information and Data-related Liability exclusion which includes the provisions of the prior Electronic Data exclusion, and also incorporates the exclusionary provisions for access to or disclosure of personal information described under Coverage B above. The prior exception to the exclusion for damages because of bodily injury is maintained, but the exception does not apply and coverage is excluded if the damages are because of access to or disclosure of confidential or personal (nonpublic) information. This change reinforces coverage intent, as bodily injury and property damage arising out of access or disclosure of confidential or personal information are not intended to be covered.

**CG 04 37 (Ed. 5/14) Electronic Data Liability.** Modifies insurance provided under the Commercial General Liability Coverage Part. This is an optional endorsement that only applies if purchased and if listed on your Declarations under the Schedule of Forms.

### Reduction and in Coverage

This Endorsement provides limited coverage with respect to loss, or loss of use of, computerized or electronically stored data that results from physical injury to tangible property. This endorsement was revised to exclude damages arising out of access or disclosure of confidential or personal information under Coverage A and Coverage B. The exclusionary provisions added to this endorsement are the same as those described above under CG 21 06.

If you purchased Data Breach Liability Coverage, please refer to that separate stand alone endorsement and your Declarations for the terms and limits of coverage.



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COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
UL-PA (Ed. 3/01) UF-9464

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PUNITIVE DAMAGES**

**(DC, OH)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 1. **Insuring Agreement** of Section I - Coverage A - Bodily Injury and Property Damage Liability and to Paragraph 1. **Insuring Agreement** of Section I - Coverage B - Personal and Advertising Injury Liability:

**Insuring Agreement**

Coverage for punitive or exemplary damages is excluded to the extent that is prohibited by law.



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COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-32 (Ed. 3/01) UF-6189

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following is added to Paragraph 2., **Exclusions** of Section I - Coverage A - Bodily Injury And Property Damage Liability:

**Lead Liability**

This insurance does not apply to:

1. Actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead or lead compounds in any form.
2. Actual or alleged "bodily injury" or "property damage" arising out of any form of lead or lead compounds.
3. Any legal obligation of the insured for indemnification or contribution due to damages arising out of "bodily injury" or "property damage" caused by lead, resulting from paint containing lead or contributed to by any other substance or material containing lead;
4. "Bodily injury" or "property damage" arising out of the actual or alleged:
  - a. exposure to or existence of lead, paint containing lead, or any other material or substance containing lead, or

b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead.

whether or not the lead is now or was at any time airborne as a particle, contained as a product, ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

5. Any loss, cost or expense arising out of any:
  - a. Request, demand or order that the insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead or lead compounds.
  - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead or lead compounds in any form.

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COMMERCIAL GENERAL LIABILITY  
CG 00 01 (Ed. 4/13) UF-9708

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
- 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

b. This insurance applies to "bodily injury" and "property damage" only if:

- 1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- 2) The "bodily injury" or "property damage" occurs during the policy period; and

- 3) Prior to the policy period, no insured listed under Paragraph **1** of Section **II** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

  - 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- 1) That the insured would have in the absence of the contract or agreement; or
- 2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- 1) Causing or contributing to the intoxication of any person;
- 2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- 3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph 1), 2) or 3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- 1) An "employee" of the insured arising out of and in the course of:
  - a) Employment by the insured; or
  - b) Performing duties related to the conduct of the insured's business; or
- 2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- 1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- i) Any insured; or
- ii) Any person or organization for whom you may be legally responsible; or

d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

2) Any loss, cost or expense arising out of any:

- a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
  - a) Less than 26 feet long; and
  - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of:
  - a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - b) The operation of any of the machinery or equipment listed in Paragraph f.2) or f.3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- 1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- 2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- 1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- 2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- 3) Property loaned to you;
- 4) Personal property in the care, custody or control of the insured;
- 5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- 6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs 1), 3) and 4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph 2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 3), 4), 5) and 6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- 1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- 2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- 1) "Your product";
- 2) "Your work"; or
- 3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- 3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- 4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III – Limits Of Insurance.**

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance;** and
- 2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B.**

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- 1) Advertising, broadcasting, publishing or telecasting;
- 2) Designing or determining content of web sites for others; or
- 3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

### l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

### n. Pollution-related

Any loss, cost or expense arising out of any:

- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- 2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- 3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- 4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- 1) On premises you own or rent;
- 2) On ways next to premises you own or rent; or
- 3) Because of your operations;

provided that:

- a) The accident takes place in the "coverage territory" and during the policy period;
- b) The expenses are incurred and reported to us within one year of the date of the accident; and
- c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- 1) First aid administered at the time of an accident;
- 2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- 3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - 1) Agrees in writing to:
    - a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - c) Notify any other insurer whose coverage is available to the indemnitee; and

- d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- 2) Provides us with written authorization to:
  - a) Obtain records and other information related to the "suit"; and
  - b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
  - 1) "Bodily injury" or "personal and advertising injury":
    - a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
    - b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph 1)a) above;
    - c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph 1)a) or b) above; or
    - d) Arising out of his or her providing or failing to provide professional health care services.
  - 2) "Property damage" to property:
    - a) Owned, occupied or used by;
    - b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
  - 1) With respect to liability arising out of the maintenance or use of that property; and
  - 2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

## **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- 1) How, when and where the "occurrence" or offense took place;
- 2) The names and addresses of any injured persons and witnesses; and
- 3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- 1) Immediately record the specifics of the claim or "suit" and the date received; and
- 2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- 2) Authorize us to obtain records and other information;

- 3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### **a. Primary Insurance**

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

#### **b. Excess Insurance**

1) This insurance is excess over:

- a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

- iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.
- 2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- 3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
  - a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - b) The total of all deductible and self-insured amounts under all that other insurance.
- 4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - 1) Goods or products made or sold by you in the territory described in Paragraph a. above;
  - 2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
  - 3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- 1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- 2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- 3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in 2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - 1) Power cranes, shovels, loaders, diggers or drills; or
  - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - 1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - 2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

1) Equipment designed primarily for:

- a) Snow removal;
- b) Road maintenance, but not construction or resurfacing; or

c) Street cleaning;

- 2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - 1) Products that are still in your physical possession; or
  - 2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- a) When all of the work called for in your contract has been completed.
- b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- 1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- 2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- 3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:

- 1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - a) You;
  - b) Others trading under your name; or
  - c) A person or organization whose business or assets you have acquired; and
- 2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- 2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:

- 1) Work or operations performed by you or on your behalf; and
- 2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- 2) The providing of or failure to provide warnings or instructions.



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COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
UL-ED (Ed. 9/05) UF-5563

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ASBESTOS**

This endorsement modifies the insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and to Paragraph 2., **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability**:

#### **Asbestos**

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of:

1. The inhaling, ingesting, or physical exposure to asbestos, or goods or products containing asbestos;

2. The manufacture, distribution, sale, resale, rebranding, transportation, storage, or disposal of asbestos or products containing asbestos;
3. The installation, repair, removal, encapsulation, abatement, replacement, handling of or exposure to, asbestos or products containing asbestos; or
4. The use of asbestos in constructing or manufacturing any goods, products, or structures.

We will not pay for the investigation or defense of any claim or "suit" or for any fine, cost, or expense of any claim or "suit" resulting from asbestos.



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IL 00 21 (Ed. 9/08) UF-3005

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

FARM COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

UNDERGROUND STORAGE TANK POLICY.

1. The insurance does not apply:

**A.** Under any Liability Coverage, to "bodily injury" or "property damage":

- 1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or
- 2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B.** Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear

material" and arising out of the operation of a "nuclear facility" by any person or organization.

**C.** Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- 1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- 2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- 3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property threat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- a) Any "nuclear reactor";
- b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or

utilizing "spent fuel",. or **(3)** handling, processing or packaging "waste";

- c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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FX-00-03 (Ed. 6/14) UF-3555

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## **ULTRAFLEX EXTRA LIABILITY COVERAGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

#### **A. Damage to Premises Rented to You - Fire Legal Liability:**

1. The following is added to Paragraph **1., Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

##### **Insuring Agreement**

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to buildings rented to you or occupied by you.

The damage must be caused by fire; lightning; wind-storm; hail; explosion; riot, civil commotion; vehicles; aircraft; smoke; vandalism; malicious mischief; water damage; or elevator collision.

2. Exclusions **2.c. through 2.n. of Section I - Bodily Injury And Property Damage Liability** do not apply to this coverage. A separate limit of insurance applies to this coverage as described in **Section III - Limits of Insurance**.

We do not cover liability assumed by the insured except in an "insured contract".

3. Paragraph **9.a. of "insured contract" of Section V - Definitions** is replaced by the following:

9.a. A contract for lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire; lightning; windstorm; hail; explosion; riot; civil commotion; vehicles; aircraft; smoke; vandalism; malicious mischief; water damage; or elevator collision to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

#### **B. Host Liquor Liability Coverage**

The following is added to Paragraph **2.c. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This exclusion does not apply to liability of the insured or the indemnitee of the insured arising out of the giving or serving of alcoholic beverages at functions incidental to your business, provided you are not engaged in the business of manufacturing, distributing, selling, or serving of alcoholic beverages.

#### **C. Non-Owned Watercraft**

Paragraph **2.g.2a) Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This exclusion does not apply to a watercraft that you do not own that is less than 51 feet long.

#### **D. Incidental Medical Malpractice**

1. The following is added to Paragraph **1., Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" arising from "incidental medical malpractice injury".

2. The following is added to Paragraph **2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage:**

This insurance does not apply to:

- a. Expenses incurred by the insured for first aid to others at the time of an accident.
- b. "Bodily injury" arising from any insured if the insured is engaged in the business or occupation of providing the following services:
  - 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection with the service or treatment;
  - 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
  - 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
  - 4) Health or therapeutic service, treatment, advice, or instruction.

- c. "Bodily injury" arising from any indemnitee if the indemnitee is engaged in the business or occupation of providing the following services:
  - 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection with the service or treatment;
  - 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
  - 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
  - 4) Health or therapeutic service, treatment, advice, or instruction.

3. The following is added to **Section V - Definitions:**

"Incidental medical malpractice injury" means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection with the service or treatment; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

**E. Volunteer Workers - Medical Payments**

The following is added to Paragraph 1. **Insuring Agreement of Section I - Coverage C - Medical Payments:**

We will pay medical expenses for "bodily injury" sustained by your volunteer workers caused by an accident while engaged in any of your insured activities.

**F. Attorney's Fees**

The following is added to **Section I - Supplementary Payments - Coverages A and B:**

All reasonable attorneys' fees up to \$100 which the insured incurs because of arrest resulting from an accident involving "mobile equipment" covered by this policy.

**G. Municipal Supervisors**

The following is added to **Section II – Who Is An Insured:**

Supervisors, if you are a municipality.

**H. The following is added to the definition of "products-completed operations hazard" of Section V - Definitions:**

Includes all "bodily injury" and "property damage" arising out of "your product" if your business includes the handling or distribution of "your product" for consumption on premises you own or rent.

**I. Waiver of Subrogation**

**Transfer of Right of Recovery Against Others to Us - Section IV – Commercial General Liability Conditions** is replaced by the following:

We waive any right of recovery we may have against the additional insured because of payments we have made under this Coverage Part. However, our rights may only be waived prior to the "bodily injury" or "property damage" caused by the "occurrence" which we have made payments under this Coverage Part.

The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights.

**J. Primary and Non-Contributory Insurance**

**Other Insurance – Section IV – Commercial General Liability Condition** is replaced by the following:

Where required by a written contract or agreement, this insurance is primary and non-contributory as respects any other insurance policy issued to the additional insured, and such other insurance policy shall be excess or non-contributing, whichever applies, with this insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**A.** The following is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability**:

#### **Professional Liability**

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" due to:

1. The rendering of or failure to render:
  - a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages with them;
  - b. Health or therapeutic service, treatment, advice, or instruction; or
  - c. Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
2. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
3. The handling of or performing of autopsies;
4. The rendering of or failure to render cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services, or treatments;
5. The selling, licensing, franchising, or furnishing of your computer software, including electronic data processing programs, designs, specifications, manuals, and instructions;
6. Any act, error, or omission with respect to data processing services or operations;
7. Any act, error, or omission with respect to any real estate agent or broker services;
8. The rendering of or failure to render any "professional services" by you or on your behalf, but only with respect to either or both of the following operations:
  - a. Providing engineering, architectural, or surveying services to others in your capacity as an engineer, architect, or surveyor; and
  - b. Providing or hiring independent professionals to provide engineering, architectural, or surveying

services in connection with construction work you perform; or

9. Any other service of a professional nature, including but not limited to accounting, printers, or attorneys.

These exclusions apply even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

**B.** The following definition is added to **Section V - Definitions**:

"Professional services" includes:

1. The preparing, approving, or failing to prepare or approve maps, plans, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
2. Supervision or inspection activities performed as part of any related architectural or engineering activities.

"Professional services" do not include services within construction means, methods, techniques, sequences, and procedures employed by you in connection with your operations in your capacity as a construction contractor.

**C.** This Exclusion - Professional Liability does not apply to liability for damages because of "bodily injury", "property damage", or "personal and advertising injury" if a premium for professional liability coverage is shown in the Declarations.

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CG 00 99 (Ed. 11/85) UF-9889

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurances provided under the following:

COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE  
COMPREHENSIVE GENERAL LIABILITY INSURANCE  
CONTRACTUAL LIABILITY INSURANCE  
DRUGGISTS LIABILITY INSURANCE  
ELEVATOR COLLISION INSURANCE  
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE  
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE  
PREMISES MEDICAL PAYMENTS INSURANCE  
SPECIAL MULTI-PERIL POLICY LIABILITY INSURANCE  
STOREKEEPERS INSURANCE

- A. Whenever the term "policy" is used in any form listed above or in the declarations or any related endorsement, it is changed to "coverage part."
- B. The Common Policy Declarations (other than any references to premiums) and the Common Policy Conditions do not apply).
- C. With respect to the Special Multi-Peril Policy Conditions and Definitions Form attached to this policy:
  1. The General Conditions, Conditions Applicable to Section II and Definitions Applicable to Section II apply only to the Commercial General Liability Coverage Part;
  2. The Conditions Applicable to Section I do not apply to any part of this policy; and
  3. The Cancellation condition is replaced by the following:

Cancellation. This policy may be cancelled by the "named insured" by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the "named insured" at the address shown in this policy, written notice stating when not less than thirty days thereafter such cancellation shall be effective; provided that in the event of nonpayment of premium, such notice shall state when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "named insured" or by the company shall be equivalent to mailing.

If the "named insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

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CG 21 47 (Ed. 12/07) UF-9680

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury and Property damage Liability:**

This insurance does not apply to;

"Bodily injury" to:

1. A person arising out of any:
  - a. Refusal to employ that person;
  - b. Termination of that person's employment; or
  - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs 1., 2. or 3. above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs a., b., or c. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to paragraph 2., Exclusions of Section I - Coverage B - Personal Injury and Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

1. A person arising out of any:
  - a. Refusal to employ that person;
  - b. Termination of that person's employment; or
  - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs 1., 2. or 3. above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs a., b., or c. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.



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BUSINESS CATASTROPHE LIABILITY  
COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-30 (Ed. 3/01) UF-5919

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following Condition is added to **Section IV - Commercial General Liability Conditions:**

**TWO OR MORE COVERAGE PARTS OR POLICIES ISSUED BY US**

Notwithstanding the OTHER INSURANCE Condition in your policy, if this policy and any other coverage part or policy issued to you by us apply to the same occurrence, offense or accident, the maximum Limits of Insurance under all coverage parts or policies will not exceed the highest applicable Limits of Insurance under any one coverage part or policy.

In no event will coverage be provided during the policy period after

1. the applicable Aggregate Limit of Protection under any one coverage part or policy has been exhausted; or
2. the applicable Aggregate Limits of Insurance under any one coverage part or policy would have been exhausted had all covered claims been submitted under that one coverage part or policy rather than under two or more coverage parts or policies.

This condition does not apply to any coverage part or policy issued by us specifically to apply as excess insurance over this policy.



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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties and only with respect to that property.



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COMMERCIAL GENERAL LIABILITY  
CG 21 67 (Ed. 12/04) UF-3888

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

#### 2. Exclusions

This insurance does not apply to:

##### Fungi or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

#### 2. Exclusions

This insurance does not apply to:

##### Fungi or Bacteria

- a. "Personal and advertising injury" which would not have taken place in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to Section V - Definitions:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by "fungi".

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CG 21 70 (Ed. 1/15) UF-4077

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

UNDERGROUND STORAGE TANK POLICY

**A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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(Ed. 3/95) UF-8385

## IMPORTANT NOTICE

Your policy contains Lead Liability Exclusion Endorsement GU-32, an exclusion involving lead contamination.

Any claims of **bodily injury, personal injury or property damage** from lead contamination occurring during this policy period and future policy periods will not be covered. Your liability insurance does not cover any loss, cost or expense arising from any requests or claims made by a governmental authority that you test for, remove or in any way respond to the effects of lead.

It has become increasingly apparent in recent years that lead poisoning poses a serious threat to children. Studies have shown that even small doses of lead can cause severe poisoning, slowed development, altered behavior, and loss of intelligence. The lead hazard can be reduced by removing the lead from the premises using approved abatement methods.

Again, this policy contains a complete exclusion for liability resulting from lead. Therefore, we recommend you take action to identify and remove any lead hazards that may exist on your premises to protect yourself.



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CG 21 96 (Ed. 3/05) UF-4906

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by an insured or by any other person or entity.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of "silica" and other dust or particles.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF MOBILE EQUIPMENT DEFINITION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**A. Exclusion g. under Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
  - a) Less than 26 feet long; and
  - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of the operation of any equipment listed in Paragraph f.2) or f.3) of the definition of "mobile equipment"; or
- 6) "Bodily injury" or "property damage" arising out of the operation of machinery or equipment that is attached to or part of a land motor

vehicle that would qualify under the definition of "mobile equipment" if it were not described on the declarations of a motor vehicle liability policy for liability coverage.

**B. Paragraph 12. of Section V - Definitions** is replaced by the following:

"Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - 1) Power cranes, shovels, loaders, diggers or drills; or
  - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - 1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - 2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- 1) Equipment designed primarily for:

- a) Snow removal;
- b) Road maintenance, but not construction or resurfacing; or
- c) Street cleaning;

2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is described on the declarations of a motor vehicle liability policy for liability coverage. "Mobile equipment" that is described on the declarations of a motor vehicle liability policy for liability coverage is considered an "auto".

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CG 21 06 (Ed. 5/14) UF-B756

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

**p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- 1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- 2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph 1) or 2) above.

However, unless Paragraph 1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### 2. Exclusions

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.



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**EXCLUSION - DESCRIBED HAZARDS**

**(MOTEL, HOTEL, TOURIST COURTS AND CAMPS)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

With respect to the operations of any motel, hotel, tourist court, or camp, the following is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**Boats**

This insurance does not apply to "bodily injury" or "property damage" arising out of any canoes, rowboats, paddle boats, outboard motors, motorboats, or sailboats.

**Saddle Animals**

This insurance does not apply to "bodily injury" or "property damage" arising out of any saddle animal.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DATA BREACH RESPONSE EXPENSES COVERAGE**

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties, and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the "Named Insured" shown in the Declarations. The words "we", "us", and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### **SECTION I - INSURING AGREEMENT**

"We" will pay for Data Breach Response Expenses Coverage if "you" have a "personal data breach" that is:

1. First discovered by "you" during the policy period shown in the Declarations for which this Data Breach Response Expenses Coverage is applicable;
2. Reported to "us" within 60 days from the date it is first discovered by "you"; and
3. The "personal data breach" takes place in the "coverage territory".

### **What is Covered**

#### **1. Legal and Forensic Information Technology Services**

"We" will pay "your" necessary and reasonable costs for the following outside professional services:

##### **a. Legal Services**

Professional legal counsel review of the "personal data breach" and how "you" should best respond to it.

##### **b. Forensic Information Technology Services**

Professional information technologies review, if needed, to determine what is possible and reasonable, the nature and extent of the "personal data breach", and the number and identities of the "affected individuals".

#### **2. Notification to Affected Individuals**

"We" will pay "your" necessary and reasonable costs to provide notification of the "personal data breach" to "affected individuals".

#### **3. Services to Affected Individuals**

"We" will pay "your" necessary and reasonable costs to provide the following services to "affected individuals":

##### **a. Informational Materials**

A packet of loss prevention and customer support information.

##### **b. Help Line**

A toll-free telephone line for "affected individuals" with questions about the "personal data breach" or wanting to request additional services as listed in paragraphs **c.** and **d.** below.

##### **c. Monitoring Services**

An electronic service automatically monitoring for activities affecting an individual's credit files, public records, and/or criminal records. Monitoring Services are subject to the type of data released and to the "affected individuals" enrolled for this service with the designated service provider.

##### **d. Identity Restoration Case Management**

This covers the services of an identity restoration professional. This professional will help the "affected individual" to recover control over their personal identity. This includes, with the permission and co-operation of the "affected individual", contacting authorities, credit bureaus, creditors, and businesses for the process of correcting credit, other records, and accounts, within the constraints of what is possible and reasonable, to restore control over their personal identity.

### **SECTION II – EXCLUSIONS**

"We" do not cover any costs for a "personal data breach" arising from the following:

1. "Your" intentional or willful complicity in a "personal data breach".
2. Any criminal; fraudulent; dishonest act, error, or omission; or any intentional or knowing violation of the law by "you".
3. Any "personal data breach" occurring prior to the first inception date of this Data Breach Response Expenses Coverage regardless of when the first "personal data breach" was discovered by "you".
4. Any third party liability or defense costs.
5. Costs to research any deficiency, except as specifically provided under Section I – Insuring Agreement, What is Covered **1.b.** Forensic Information Technology Services. This includes, but is not limited to, any deficiency in "your" systems, procedures, or physical security that may have contributed to a "personal data breach".

6. Costs to correct any deficiency in "your" systems, procedures, or physical security that may have contributed to a "personal data breach".
7. Any fines or penalties including, but not limited to, fees or surcharges from affected financial institutions.
8. Any costs arising out of criminal investigations or proceedings.
9. Any threat, extortion, or blackmail including, but not limited to, ransom payments and private security assistance.
10. Any virus or other "malicious code" that is or becomes named and recognized by the CERT Coordination Center, McAfee, Secunia, Symantec, or other comparable third party monitors of malicious code activity.
11. "Your" reckless disregard for the security of "personally identifying information" in "your" care, custody, or control.
12. "Your" purposeful off-shoring of the processing, storage, or other use of data containing "personally identifying information" to a jurisdiction outside of the "coverage territory".
13. Seizure or destruction by order of governmental authority.
14. War:
  - a. War including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
15. Nuclear reaction or radiation, or radioactive contamination.

### **SECTION III – LIMITS OF INSURANCE**

The Data Breach Response Expenses Coverage Limit of Insurance shown in the Declarations is the most "we" will pay for the sum of all costs under Section I – Insuring Agreement, What is Covered because of all "personal data breaches" occurring during the policy period.

We will pay up to \$5,000 for the sum of all costs covered under Legal Services and Forensic Information Technology Services because of all "personal data breaches" occurring during the policy period. This sublimit is part of, and not in addition to, the Data Breach Response Expenses Coverage Limit of Insurance.

These limits apply regardless of the number of "personal data breaches" occurring during the policy period.

A "personal data breach" may be first discovered by "you" in one policy period but cause covered costs in one or more sub-

sequent policy periods. If so, all covered costs arising from such "personal data breach" will be subject to the Data Breach Response Expenses Coverage Limit of Insurance and the Legal and Forensic Information Technology Limit of Insurance applicable to the policy that was in force when the "personal data breach" was first discovered by "you".

Coverage for Services to Affected Individuals is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management Services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management Services are initiated.

### **SECTION IV – CONDITIONS**

#### **1. BANKRUPTCY OR INSOLVENCY**

Bankruptcy or insolvency of "you" or "your" estate will not relieve "us" of "our" obligations under this Data Breach Response Expenses Coverage.

#### **2. DUE DILIGENCE**

"You" agree to use due diligence to prevent and mitigate costs covered under this Data Breach Response Expenses Coverage. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for the following:

- a. Providing and maintaining appropriate physical security for "your" premises, computer systems, and hard copy files, electronic media, handheld devices, and storage devices;
- b. Providing and maintaining appropriate computer, network, and Internet security;
- c. Maintaining and updating at appropriate intervals back-ups of computer data;
- d. Protecting transactions, such as using encryption when processing credit card, debit card, and check payments;
- e. Appropriate disposal of files containing "personally identifying information", including shredding hard copy files and destroying physical media used to store electronic data; and
- f. Providing appropriate security awareness training on "your" physical, electronic, and procedural security measures.

#### **3. LEGAL ADVICE**

The services provided under this Data Breach Response Expenses Coverage are not legal recommendations for action. "Our" determination of what is or is not covered under this coverage does not represent legal advice or counsel from "us" about what action "you" should or should not do.

#### 4. NO BENEFIT TO BAILEE

No bailee, having custody of "personally identifiable information" shall benefit, directly or indirectly, from this insurance.

#### 5. OTHER INSURANCE

"You" may have other insurance subject to the same plan, terms, conditions, and provisions as insurance under this Data Breach Response Expenses Coverage. If "you" do, "we" will pay "our" share of the "personal data breach". "Our" share is the proportion that the applicable limits of insurance under this coverage bears to the limits of insurance of all insurance covered on the same basis.

If there is other insurance covering the same "personal data breach", other than that described in the paragraph above, "we" will pay only the amount in excess of the amount due from the other insurance, whether "you" can collect on it or not. But "we" will not pay more than the applicable limits of insurance.

#### 6. PRE-NOTIFICATION CONSULTATION

"You" agree to consult with "us" prior to issuing any notification to "affected individuals". "We" assume no responsibility under this Data Breach Response Expenses Coverage for any services promised to "affected individuals" without "our" prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers Condition. "You" must provide the following at our pre-notification consultation with "you":

- a. Information about the "personal data breach" that may appropriately be communicated with "affected individuals"; and
- b. The scope of services that "you" desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Breach Response Expenses Coverage Limit.

#### 7. RECORDS

"You" must keep proper records so that "we" can accurately determine the "affected individuals" of a "personal data breach".

#### 8. SERVICE PROVIDERS

- a. "We" will only pay under this Data Breach Response Expenses Coverage for services that are provided by service providers approved by "us". Approval of an alternate vendor must be obtained prior to the consultation process. "We" will only pay reasonable and customary charges associated with services covered under this Data Breach Response Expenses Coverage provided by an alternate vendor.

b. Prior to the pre-notification consultation described in the Pre-Notification Consultation Condition, "you" must come to an agreement with "us" regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. "We" will suggest a service provider. If "you" prefer to use an alternate service provider, "our" coverage is subject to the following limitations:

- 1) Such alternate service provider(s) must be approved by "us" prior to the consultation process;
- 2) "Our" payment for services provided by any alternate service provider will not exceed the amount that "we" would have paid using the service provider "we" had suggested; and
- 3) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider "we" had suggested.

c. "We" will only pay for Legal Expense Coverage from a licensed legal counsel.

#### 9. SERVICES

The following conditions apply regarding any services provided to "you" or any "affected individual" by "us", our designees, or any service firm paid for in whole or in part under this Data Breach Response Expenses Coverage:

- a. The effectiveness of such services depends on "your" cooperation and assistance;
- b. All services may not be available or applicable to all "affected individuals". For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions;
- c. "We" cannot guarantee, after "our" vendor has provided the applicable services, that the problems associated with the covered "personal data breach" will be eliminated; and
- d. "You" will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for "you".

#### 10. TIME LIMITS

- a. "You" must report a "personal data breach" to "us" within 60 days of "your" discovery of the "personal data breach".
- b. "You" have up to one year from the date of reporting a "personal data breach" to initiate the services provided for "you".

- c. An "affected individual" has up to one year from the date the notification is received of a "personal data breach" to initiate the credit report monitoring services provided.

Once initiated the credit monitoring services will continue to be provided to that person for one year.

- d. Credit Report Monitoring and Identity Restoration Case Management Services will be provided by "our" Designated Service Provider for a period of 12 consecutive months from the inception of the Credit Report Monitoring and Identity Restoration Case Management Services.

## 11. YOUR DUTIES AFTER A PERSONAL DATA BREACH

In case of a covered "personal data breach", "you" must perform the following duties:

- a. Give "us" prompt notice of the "personal data breach". As stated in the Time Limits condition, "you" must report the "personal data breach" to "us" within 60 days of "your" discovery.
- b. Take all reasonable steps to protect "personally identifying information" remaining in "your" care, custody, or control.
- c. Preserve all evidence of the "personal data breach".
- d. Permit "us" to inspect the property and records proving the "personal data breach".
- e. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as "we" may reasonably require.
- f. Send "us", within 30 days after the "personal data breach", "your" signed and sworn proof of loss statement which includes:
  - 1) Time and cause of the "personal data breach";
  - 2) Other policies which may cover the "personal data breach";
  - 3) The method of the "personal data breach";
  - 4) The approximate number of "affected individuals" as a result of the "personal data breach";
  - 5) A detailed description of the type and nature of the information that was compromised;
  - 6) Whether or not the information was encrypted and if so, the level of encryption;
  - 7) Whether or not law enforcement has been notified;
  - 8) If available, the states in which the "affected individuals" are domiciled; and

- 9) If available who received the "personally identifying information" as a result of the "personal data breach".
- g. Cooperate with "us" in "our" investigation of a "personal data breach".
- h. Separately submit to examinations under oath and sign a transcript of the same.
- i. Agree to help "us" enforce any right of recovery against any party liable for the "personal data breach" under this policy. This will not apply if "you" have waived recovery rights in writing prior to a "personal data breach".

## SECTION V DEFINITIONS

- "Affected Individual" means any person who is "your" current, former, or prospective customer, client, member, director, or employee and whose "personally identifying information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach" covered under this endorsement. This definition is subject to the following provisions:
  1. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
  2. An "affected individual" must have a direct relationship with "your" interests as an insured under this policy. The following are examples of individuals who would not meet this requirement:
    - a. If "you" aggregate or sell information about individuals as part of "your" business, the individuals about whom "you" keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".
    - b. If "you" store, process, transmit, or transport records, the individual whose "personally identifying information" "you" are storing, processing, transmitting, or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".
    - c. "You" may have operations, interests, or properties that are not insured under this policy. Individuals who have a relationship with "you" through such other operations, interests, or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".

3. An "affected individual" may reside anywhere in the world but must be a citizen or legal alien of the United States (its territories and possessions), Puerto Rico, or Canada with a valid Social Security Number (SSN) or Social Insurance Number (SIN).
- "Coverage territory" means the United States (including its territories and possessions), Puerto Rico, and Canada.
- "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data.
- "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts, or commit crimes.  
"Identity theft" does not include the fraudulent use of a business name, d/b/a, or any other method of identifying a business activity.
- "Malicious code" means any loss of data that results from a worm, virus, Trojan, BOT, or other piece of computer code, software, spyware, or malware that is used to collect, destroy, alter, retrieve, or affect computer software and/or data on a computer system, network, storage device, Smartphone, or other peripheral device; and on the date the "personal data breach" occurred is named and recognized by the CERT Coordination Center or any other industry acceptable third party antivirus, antimalware, or other solution that monitors malicious code activity.
- "Personal data breach" means the loss, theft, accidental release, or accidental publication of "personally identifying information" regarding one or more "affected individual(s)", if such loss, theft, accidental release, or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:
  1. At the time of the loss, theft, accidental release, or accidental publication, the "personally identifying information" must be in "your" direct care, custody, or control.
2. "Personal data breach" includes disposal or abandonment of "personally identifying information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - a. "Your" failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
  - b. Such disposal or abandonment must take place during the time period for which this Data Breach Response Expenses Coverage is effective.
3. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.
4. "Personal data breach" does not include the loss, theft, release, or publication of information that is in the care, custody, or control of a third party to which "you" have directly or indirectly turned over such information for any reason. This includes but is not limited to, storage, processing, transmission, or transportation of such information.

All "personal data breach" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".

- "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an "affected individual". This includes but is not limited to, social security numbers, drivers license numbers, credit card numbers, bank account information, or any other account numbers correlated with names and addresses.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated social security numbers or account numbers.

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UL-UP (Ed. 6/14) UF-B449

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DATA BREACH LIABILITY COVERAGE

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties, and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the "Named Insured" shown in the Declarations. The words "we", "us", and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII—Definitions.

### SECTION I - INSURING AGREEMENT

1. "We" will pay those sums that the insured becomes legally obligated to pay as damages because of a "personal data breach" to which this insurance applies. "We" will have the right and duty to defend the insured against any "personal data breach suit" seeking those damages. However, "we" will have no duty to defend the insured against any "personal data breach suit" seeking damages for a "personal data breach" to which this insurance does not apply. "We" may, at "our" discretion, investigate any "personal data breach" and settle any claim or "personal data breach suit" that may result, but:
  - a. The amount "we" will pay for damages is limited as described in Section V – Limits of Insurance; and
  - b. "Our" right and duty to defend ends when "we" have used up the applicable limit of insurance in the payment of judgments or settlements under this Data Breach Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in this Data Breach Liability Coverage.

2. This insurance applies to "personal data breach suits" only if:
  - a. The "personal data breach" takes place in the "coverage territory";
  - b. "You" report the "personal data breach suit" to "us" as soon as practicable after notice is received by "you"; and
  - c. The "personal data breach suit" arose out of a "personal data breach" covered under "our" Data Breach Expenses Coverage where Notification to Affected Individuals and Services to Affected Individuals were paid for by "us" and provided by service providers approved by "us".

3. A "personal data breach" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section IV – Who Is An Insured receives notice of a "personal data breach" or "personal data breach suit":
  - a. Reports all, or any part, of the "personal data breach" to "us" or any other insurer;
  - b. Receives a written or verbal demand or claim for damages because of a "personal data breach";
  - c. Becomes aware by any other means that a "personal data breach" has occurred or begun to occur; or
  - d. All "personal data breach suits" arising out of one "personal data breach" shall be deemed to be made on the date that the first "personal data breach suit" is brought. All "personal data breach suits" asserted in a class action suit will be treated as arising out of a single "personal data breach".

### SECTION II – EXCLUSIONS

This insurance does not apply to:

1. "Your" intentional or willful complicity in a "personal data breach".
2. Any criminal; fraudulent; dishonest act, error, or omission; or any intentional or knowing violation of the law by "you".
3. Any "personal data breach" occurring prior to the first inception date of this Data Breach Liability Coverage regardless of when the first "personal data breach" was discovered by "you".
4. Costs to correct any deficiency in "your" systems, procedures, or physical security that may have contributed to a "personal data breach".
5. Any fines or penalties including, but not limited to, fees or surcharges from affected financial institutions.
6. Any costs arising out of criminal investigations or proceedings.
7. Any threat, extortion, or blackmail including, but not limited to, ransom payments and private security assistance.
8. Any virus or other "malicious code" that is or becomes named and recognized by the CERT Coordination Center, McAfee, Secunia, Symantec, or other comparable third party monitors of malicious code activity.

9. "Your" reckless disregard for the security of "personally identifying information" in "your" care, custody, or control.
10. "Your" purposeful off-shoring of the processing, storage, or other use of data containing "personally identifying information" to a jurisdiction outside of the "coverage territory".
11. Seizure or destruction by order of governmental authority.
12. War:
  - a. War including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
13. Nuclear reaction or radiation, or radioactive contamination.
14. Any "personal data breach suit" made against "you" by a subsidiary or entity owned whole or in part by "you".
15. Any rendering of or failure to render any professional services for others.
16. Any property damage directly relating to a "personal data breach".

### **SECTION III – SUPPLEMENTARY PAYMENTS**

"We" will pay, with respect to any claim "we" investigate or settle, or any "personal data breach suit" "we" defend against an insured:

1. All expenses "we" incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. "We" do not have to furnish these bonds.
3. All reasonable expenses for lodging and meals incurred by an insured for deposition appearances and court proceedings (at "our" request to assist "us" in the investigation or defense of the claim or "personal data breach suit", including actual loss of earnings up to \$250 per day because of time off from work).
4. All court costs assessed against an insured in the "personal data breach suit".
5. Prejudgment interest awarded against an insured on that part of the judgment "we" pay. If "we" make an offer to pay the applicable limit of insurance, "we" will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before "we" have

paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

### **SECTION IV – WHO IS AN INSURED**

If "you" are designated in the Declarations as:

1. An individual, "you" and "your" spouse are insureds, but only with respect to the conduct of a business of which "you" are the sole owner.
2. A partnership or joint venture, "you" are an insured. "Your" members, "your" partners, and their spouses are also insureds, but only with respect to the conduct of "your" business.
3. A limited liability company, "you" are an insured. "Your" members are also insureds, but only with respect to the conduct of "your" business. "Your" managers are insureds, but only with respect to their duties as "your" managers.
4. An organization other than a partnership, joint venture, or limited liability company, "you" are an insured. "Your" executive officers and directors are insureds, but only with respect to their duties as "your" officers or directors.
5. A trust, "you" are an insured. "Your" trustees are also insureds, but only with respect to their duties as trustees.

### **SECTION V – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations for this Data Breach Liability Coverage and the rules below fix the most "we" will pay regardless of the number of:
  - a. Persons insured under this coverage;
  - b. Claims made or "personal data breach suits" brought; or
  - c. Persons or organizations making claims or bringing "personal data breach suits".
2. The Data Breach Liability Coverage Limit of Insurance is the most "we" will pay for the sum of all damages to one or more persons or organizations as a result of all "personal data breaches" occurring during the policy period.

### **SECTION VI – CONDITIONS**

#### **1. BANKRUPTCY OR INSOLVENCY**

Bankruptcy or insolvency of "you" or "your" estate will not relieve "us" of "our" obligations under this Data Breach Liability Coverage.

#### **2. DUE DILIGENCE**

"You" agree to use due diligence to prevent and mitigate costs covered under this Data Breach Liability Coverage. This includes, but is not limited to, complying with reasonable and industry accepted protocols for:

- a. Providing and maintaining appropriate physical security for "your" premises, computer systems, and hard copy files, electronic media, handheld devices, and storage devices;
- b. Providing and maintaining appropriate computer, network, and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card, and check payments;
- e. Appropriate disposal of files containing "personally identifying information", including shredding hard copy files and destroying physical media used to store "electronic data";
- f. Providing appropriate security awareness training on "your" physical, electronic, and procedural security measures; and
- g. Providing reasonable and necessary notification monitoring and other services.

### **3. NO BENEFIT TO BAILEE**

No bailee, having custody of "personally identifying information", shall benefit, directly or indirectly, from this insurance.

### **4. OTHER INSURANCE**

If other valid and collectible insurance is available to "you" for a loss "we" cover under this coverage, "our" obligations are limited as follows:

#### **a. Primary Insurance**

This insurance is primary except when **b.** – Excess Insurance below applies. If this insurance is primary, "our" obligations are not affected unless any of the other insurance is also primary. Then, "we" will share with all that other insurance by the method described in **c.** – Method of Sharing below.

#### **b. Excess Insurance**

When this insurance is excess, "we" will have no duty under this "Data Breach Liability Coverage to defend "you" against any "personal data breach suit" if any other insurer has a duty to defend "you" against that "personal data breach suit". If no other insurer defends, "we" will undertake to do so, but "we" will be entitled to the insured's rights against all other insurers.

When this insurance is excess over other insurance, "we" will pay only "our" share of the amount of the loss, if any, that exceeds the sum of:

- 1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- 2) The total of all deductible and self-insured amounts under all that other insurance.

"We" will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the limits of insurance shown in the Declarations for this endorsement.

#### **c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, "we" will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, "we" will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### **5. RECORDS**

"You" must keep proper records so that "we" can accurately determine the "affected individuals" of a "personal data breach".

### **6. SETTLEMENTS**

With "your" written consent, "we" may settle a "personal data breach suit" in any way "we" consider reasonable. If "you" withhold consent, then "our" liability for damages is limited to what "we" would have paid as of the date of the proposed settlement. "You" assume any further responsibilities and expenses regarding settlement of the "personal data breach suit".

### **7. YOUR DUTIES AFTER A PERSONAL DATA BREACH**

In case of a covered "personal data breach", "you" must perform the following duties:

- a. Give "us" prompt notice of the "personal data breach";
- b. Take all reasonable steps to protect "personally identifying information" remaining in "your" care, custody, or control;
- c. Preserve all evidence of the "personal data breach";
- d. Permit "us" to inspect the property and records proving the "personal data breach";
- e. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as "we" may reasonably require;
- f. Send "us", within 60 days after the "personal data breach", "your" signed and sworn proof of loss statement which includes:
  - 1) Time and cause of the "personal data breach";

- 2) Other policies which may cover the "personal data breach";
- 3) The method of the "personal data breach";
- 4) The approximate number of "affected individuals" compromised as a result of the "personal data breach";
- 5) A detailed description of the type and nature of the information that was compromised;
- 6) Whether or not the information was encrypted and if so, the level of encryption;
- 7) Whether or not law enforcement has been notified;
- 8) If available, the states in which the "affected individuals" are domiciled; and
- 9) If available who received the "personally identifying information" as a result of the "personal data breach";

- g. Cooperate with "us" in "our" investigation of a "personal data breach";
- h. Separately submit to examinations under oath and sign a transcript of the same; and
- i. Agree to help "us" enforce any right of recovery against any party liable for the "personal data breach" under this policy. This will not apply if "you" have waived recovery rights in writing prior to a "personal data breach".

## SECTION VII DEFINITIONS

- "Affected Individual" means any person who is "your" current, former, or prospective customer, client, member, director, or employee and whose "personally identifying information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach" covered under this endorsement. This definition is subject to the following provisions:
  1. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
  2. An "affected individual" must have a direct relationship with "your" interests as an insured under this policy. The following are examples of individuals who would not meet this requirement:
    - a. If "you" aggregate or sell information about individuals as part of "your" business, the individuals about whom "you" keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".
- If "you" store, process, transmit, or transport records, the individual whose "personally identifying information" "you" are storing, processing, transmitting, or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".
- "You" may have operations, interests, or properties that are not insured under this policy. Individuals who have a relationship with "you" through such other operations, interests, or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of "yours".
- 3. An "affected individual" may reside anywhere in the world but must be a citizen or legal alien of the United States (its territories and possessions), Puerto Rico, or Canada with a valid Social Security Number (SSN) or Social Insurance Number (SIN).

- "Coverage territory" means the United States (including its territories and possessions), Puerto Rico, and Canada.
- "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data.
- "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts, or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a, or any other method of identifying a business activity.
- "Malicious code" means any loss of data that results from a worm, virus, Trojan, BOT, or other piece of computer code, software, spyware, or malware that is used to collect, destroy, alter, retrieve, or affect computer software and/or data on a computer system, network, storage device, Smartphone, or other peripheral device; and on the date the "personal data breach" occurred is named and recognized by the CERT Coordination Center or any other industry acceptable third party antivirus, antimalware, or other solution that monitors malicious code activity.
- "Personal data breach" means the loss, theft, accidental release, or accidental publication of "personally identify-

ing information" regarding one or more "affected individuals", if such loss, theft, accidental release, or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:

1. At the time of the loss, theft, accidental release, or accidental publication, the "personally identifying information" must be in "your" direct care, custody, or control.
2. "Personal data breach" does not include the loss, theft, release, or publication of information that is in the care, custody, or control of a third party to whom "you" have directly or indirectly turned over such information for any reason. This includes but is not limited to storage, processing, transmission, or transportation of such information.
3. "Personal data breach" includes disposal or abandonment of "personally identifying information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - a. "Your" failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
  - b. Such disposal or abandonment must take place during the time period for which this Data Breach Liability Coverage is effective.
4. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.
5. All "personal data breaches" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".

- "Personal data breach suit" means written notice or demand for monetary damages for a covered "personal data breach".
- "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an "affected individual". This includes but is not limited to social security numbers, drivers license numbers, credit card numbers, bank account information, or any other account numbers correlated with names and addresses.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated social security numbers or account numbers.

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(Ed. 9/13) UF-B702

## IMPORTANT NOTICE – DATA BREACH RESPONSE EXPENSES COVERAGE

Dear ERIE Data Breach Customer:

Thank you for purchasing *Data Breach Response Expenses Coverage*. We appreciate the trust you have placed in us.

ERIE Insurance has partnered with IDentity Theft 911, a leading provider of data risk management solutions, to support us in providing business owners like you with Data Breach coverages.\* As an educational resource, a data security website is available to you. This website provides tips and best practices that will help you protect sensitive information. It also includes information regarding notification laws and regulations, an Incidence Response Plan template, and other resources.

To access the website, visit [www.erie.breachresponse.com](http://www.erie.breachresponse.com).

- *Click Sign in now*
- User Name: **Erie1** and Password: **Erie1**  
(*Note:* The User Name and Password are case sensitive).
- Complete the online registration process by creating your own Username & Password

If ever you suspect a loss, theft, accidental release or publication of non-public personal information regarding individuals that have a direct relationship with your business, such as customers, clients or employees, call the ERIE Claims Office nearest you. See the reverse side of this notice for a listing of all ERIE Claims Offices and their phone numbers. We're your first line of response when you discover a data breach involving non-public personal information of others.

Thank you again for becoming a Data Breach Customer. We hope you find our services valuable in helping to protect you and your business.

Sincerely,



Marc Cipriani  
Senior Vice President, Commercial Lines

\* Coverage is subject to the terms and limitations of the endorsements you purchased.

## Toll-Free Numbers for Field/Claims Offices

Contact an Erie Insurance office in your area:

State	Field Office	Call Toll Free
Illinois	Peoria	(888) 335-3743
Indiana	Fort Wayne	(800) 892-5655
	Indianapolis	(800) 624-1620
District of Columbia / Maryland	District of Columbia	(800) 492-2709
	Silver Spring	(800) 492-2709
	Hagerstown	(800) 533-5602
North Carolina	Charlotte	(800) 473-3882
	Raleigh	(800) 533-3982
New York	Rochester	(800) 333-0823
Ohio	Canton	(800) 362-6541
	Columbus	(800) 282-1702
Pennsylvania	Allentown/Bethlehem	(800) 322-9026
	Erie	(877) 771-3743
	Harrisburg	(800) 382-1304
	Johnstown	(800) 241-4209
	Murrysville	(800) 553-3367
	Philadelphia	(800) 821-2902
	Pittsburgh	(800) 922-1824
Tennessee	Knoxville	(888) 922-3743
Virginia	Richmond	(800) 322-3743
	Roanoke	(800) 533-3743
	Waynesboro	(800) 542-2250
Wisconsin	Waukesha	(877) 740-3743
West Virginia	Parkersburg	(800) 642-1948

**Note:** When contacting Erie Insurance to report a claim, please be advised that the company cannot provide advice or counsel Policyholders on whether or not to file a claim. Erie Insurance is obligated to file the claim when contacted by a Policyholder. Discussions about how the claim will impact your policy or questions about whether or not to file a claim should be directed to your Erie Insurance Agent.



ERIE INSURANCE GROUP

COMMERCIAL GENERAL LIABILITY  
CG 21 35 (Ed. 10/01) UF-9693

POLICY NUMBER

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EXCLUSION - COVERAGE C - MEDICAL PAYMENTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Description and Location of Premises or Classification:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

2. The following added to Section I Supplementary Payments:

With respect to any premises or classification shown in the Schedule:

1. Section I Coverage C. - Medical Payments does not apply and none of the references to it in the Coverage Part apply; and

**(h)** Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

ISO Properties, Inc., 2000